No 22 JUNE 1992

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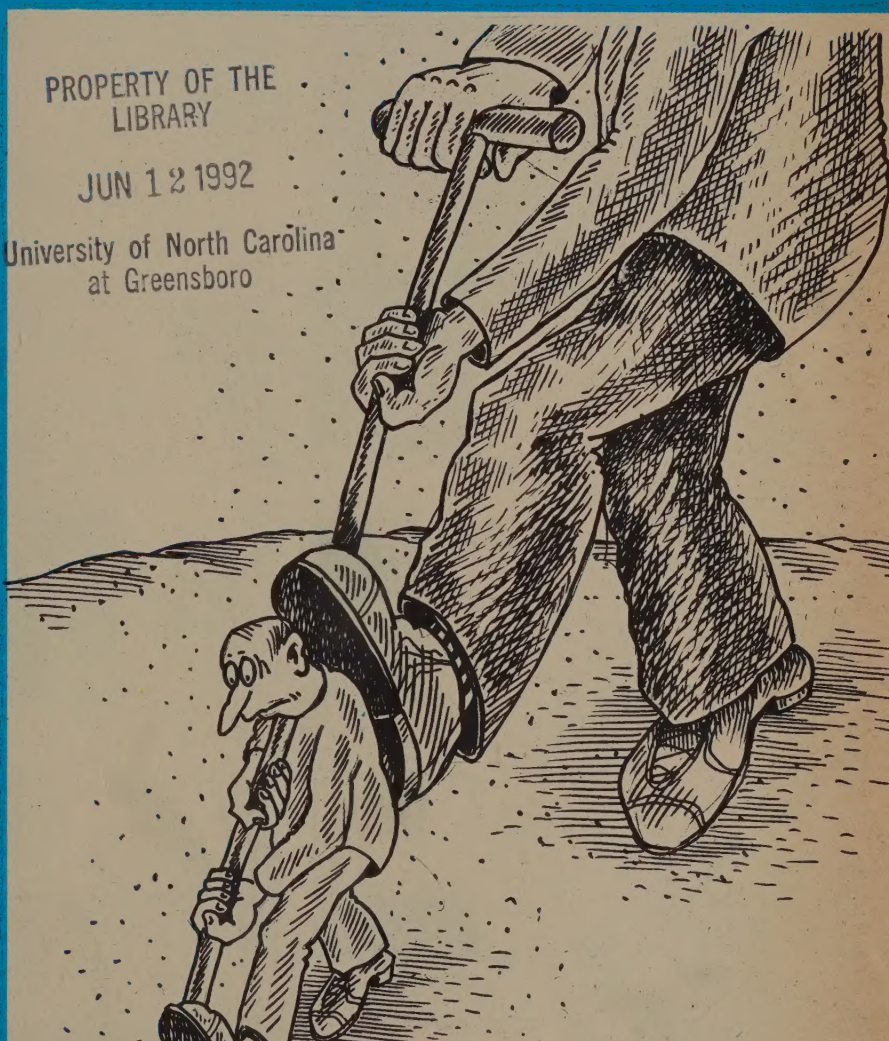

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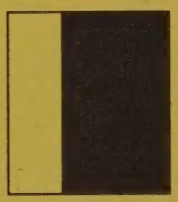

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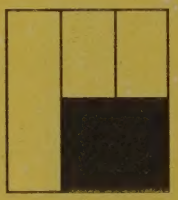

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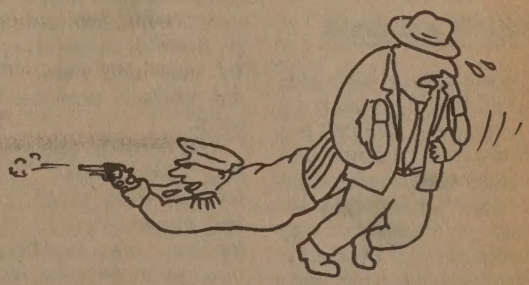


LETTERS(2), **THIS WEEK**(13), **OUTLOOK**(32), **PEOPLE**(44)

Redundant people

I was deeply touched by the article "Time to gather compatriots" (No. 5/92). After the war Germany could find means and strength, though it was on the verge of ruin. Today Russia is in a similar position. We Russians, living in different republics, can become builders of a new Russia. Our fathers and grandfathers contributed much to the progress of these republics, Kyrghyzstan in particular. They helped the Kyrghyz to build beautiful cities in the steppe and make their fields fertile. Now, with the country in chaos, we have become redundant both for former republics and Russia.

I wish Yeltsin heard of our troubles. When in Kyrghyzstan he was assured that Russians would not be offended. But, unfortunately, it was a mere twaddle. For five years now I have dreamed of moving to a Russian city. But so far we are allowed to choose domicile only in the non-black earth zone and to work in agriculture. However, I am no judge of it.

Olga Peshkova
Bishkek

Profitable and useful

Once I met a war veteran. He had a gauze pack on his eye. During our conversation I learned that he underwent treatment at the Eye Micro-Surgery Institute headed by Svyatoslav Fyodorov. Some time later the pack was removed, and he gladly told me that his eyesight had fully recovered. We can be proud of Fyodorov's institute. True, they charge money for treatment, but it does not matter. I thought of a different thing in this connection.

In our country millions of people suffer because of their bad teeth. I read once that a small state of Liechtenstein earns currency for treating the teeth of those who wish so. Do we have specialists in this field of the Fyodorov calibre, dentists who could treat the teeth of all, young and old? A large institute of dental surgery could be a very profitable concern doing much good for people.

P. Barabanov, chairman of the city council of war veterans
Privolzhsk, Ivanovo Region

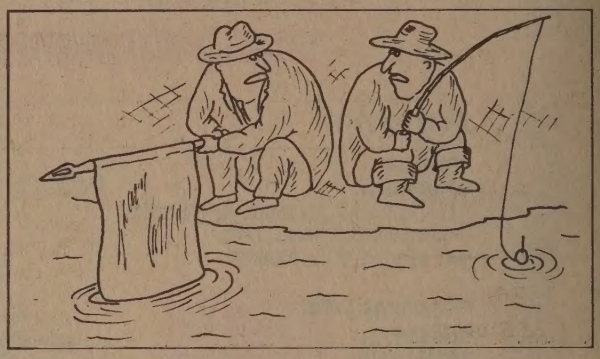
Potential farmers

The Russian government encourages individual farming. But no one thought of how many potential farmers can be found in the country. During the last 20-30 years collective farmers and state farm workers have been allowed to keep cows, sheep and pigs on their subsidiary plots of land. Some peasants have done so, continuing to work on a collective or state farm. They sold meat, milk and potatoes on the market and bought TV sets and cars. They are precisely potential farmers.

You come to one village and ask how many families keep cows, pigs and sheep. Two or three families are mentioned. You go to another village and ask the same question. It turns out that of 400 people working on the local state farm only 10 or 12 keep at least one cow, that is, 2 or 3 percent of the villagers. The others do not want to burden themselves with extra work. They are envious of those who have cars, large houses and nice furniture, but do not want to work hard to acquire these creature comforts.

Anatoly Kongro
St. Petersburg

THE WAY I SEE IT



Drawing by Victor Bogorad

The military are not worried

I have noticed one strange thing in connection with higher prices of oil products. Villagers, power and transport workers openly expressed their fears of this. Only the military keep silent. Aren't they perturbed by the rise in oil prices? Peat, coal and firewood will not replace oil products for them. Why aren't the military afraid then? Either they have become more modest or, instead of a market economy, we shall have the military-serf noose tightened further around our necks.

N. Lagunov
Sverdlovsk Region

Kuril Islands must be returned

Concerning Lavrenkov's item "Kuril Islands must not be returned" (Letters, No. 9/92, Russian edition):

I was not convinced by the author's pseudo-patriotic appeal to the feeling of the "Russian master" for whom the loss of the South Kuril Islands will mean the loss of "our greatest value" – economic space, the territory and a vast sea zone important for the present and future of Russia. I wish he saw how this value is used today.

The great-power mentality is still strong in us. The question is clear. Let the fate of the South Kuril Islands be decided by those who are historically linked with them and who have developed them, that is, those who live on them now and lived on them in the past but were expelled later. Let the governments of Russia and Japan agree on how this mutual decision will be realized.

Sergei Ignatiev, electrical engineer
Ivanovo

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Weak Russia in alliance with strong Armenia and strong Serbia may become still weaker

Moscow's apocalyptic warnings that the conflict between Armenia and Azerbaijan will grow into a third world war, if Turkey becomes involved, look like a sequel to the play *A Dog in the Manger* by Lope de Vega. The Kremlin is obviously unable to cope with the role of a guarantor of stability in Russia's historical sphere of influence, yet it is not going to concede this role to more capable ones. Its confrontation with Ankara which was the first to recognize Yeltsin's regime, having extended to it a 500-million-dollar credit in January 1991, at the peak of Yeltsin's confrontation with Mikhail Gorbachev, was not prompted by geopolitical controversies between Russia and Turkey in Transcaucasia. Russia's positions in the region were not damaged by Turkey's involvement there; rather the contrary is true: the vacuum which had formed as a result of the failure of Yeltsin's policy in the region required such actions by Ankara for which it wasn't ready, and is not ready even today.

The main symptom of the failure was the emergence of the Moscow-Yerevan axis even after the US Department of State issued a warning to Armenian leaders who employed violent methods to settle the Karabakh drama. This partiality defies the very logic followed by Boris Yeltsin in his attempts to create the CIS. Only one role, that of an arbitrator in any conflict between other partners in the integration process, befits Russia which is objectively dominant in the Commonwealth. The folly of this colossus taking sides may be compared to the situation which might arise if the United States supported only Ankara, or only Athens, in the dragged-on Greek-Turkish confrontation. In fact, it has been possible to avoid a great Aegean war, since the 1970s and up to this day, exclusively thanks to this super-power's adequate and balanced behaviour.

As concerns Russia, its weak economy is supplemented with weak diplomacy. Its own weakness in the traditional spheres of influence compels Russia to seek seemingly strong partners in order to amend the situation with their hands. Its partiality in Transcaucasia is in organic unity with partiality in the Balkans where Russia turned out to be the sole moral support for the aggressor, Serbia, which together with Montenegro tries in vain to snatch on the pseudonym of Yugoslavia. Whereas in Transcaucasia siding with Armenia entails, for Russia, a loss of contacts with economically promising Azerbaijan and Turkey, in the Balcans it is losing something more than the high esteem of the Croats, Slovenes and Bosnians aspiring for independence. It revives West and East Europeans' old suspicions concerning Russia's intentions which cannot be blotted out by peace-loving declarations. The initially demonstrated partiality, especially with regards to the side (the Yugoslav case) condemned by the world community, is a poor start for a mediator and an arbitrator.

The irrational foreign policy makes life for Yeltsin's administration more complicated inside the country too. I am not talking about the criticism by the so-called "red-white opposition" uniting communists and anti-communists on the quaking soil of great power sentiments. After all, opposition to these imperial vestiges can only heighten the Russian president's rating in the West. Much more important are the splits in the ruling coalition itself, which spread from internal problems to external ones.

The final days of May were marked by the ultimate formation of an alternative bloc around Vice-President Alexander Rutskoi who has, in particular, a different vision of foreign political priorities. It's based on the rejection of one-sided Atlanticism and on the primary attention to the spheres of Russia's traditional interests, i.e. to the republics of the former USSR and Central Europe and certain regions of the Third World, for instance, Middle and Near East. Cooperation with the United States and Western Europe is regarded by the advocates of the "alternative" policy as partnership in securing stability and not as unconditional submission to an alien strategy or an unprincipled manoeuvring in search of strong peripheral allies.

It's not for journalists to estimate the value of this or that strategy. The very fact of the emergence of alternative positions is much more important, for it means that nothing has finally been settled in Russia's policy. And the current political course marked with failues in Transcaucasia and the Balkans is no more than the point of view of a faction in the ruling coalition whose future is not clear yet.

Vladimir Kulistikov

Crimean knot

The Russo-Ukrainian dispute over the Crimea and the Black Sea Fleet is deadlocked. What will Moscow, Simferopol and Kiev do? What will happen after the Crimea independence referendum?

As concerns its coming scope and significance for the geopolitical situation in Eurasia, the Crimean crisis – despite the developments there, in which luckily no blood has been shed thus far – may outshadow all conflicts across the former USSR, even the war in Karabakh. Indeed, this crossroads of nations has always been an apple of discord between the "greats" throughout history, as from times immemorial it has changed hands again and again, going from Greeks and Romans to Khazars, Goths, Slavs and Mongols before it eventually became the prize in the nearly two hundred years rivalry between Turkey and Russia.

"Deserving of universal admiration"

If the Black Sea is the key to Eurasia while the Crimea is the key to the Black Sea, then, of course, Sevastopol is the key to the Crimea as such. The name of this outpost of the Crimea's new possessor in the incomparable Akhtiar Bay is ascribed to Prince Potemkin of Taurida, who chose as its root the Greek "sevastos," which means "deserving of universal admiration."

As is sometimes thought, the name often determines the lot of a person or city. Indeed, what personifies Sevastopol's lot, the thought of which, according to Leo Tolstoy, "causes the blood to more quickly course through the veins," is the Cathedral of St. Vladimir atop Central Hill, from which one obtains a marvellous panoramic view of the verdure of the Bratskoye (Common – **Ed.**) Cemetery, with its Church of St.Nicholas, where interred are the remains of the city's defenders of both this and last centuries.

For that matter, the Cathedral of St. Vladimir is likewise associated with the defence of Sevastopol, as its foundation stone was laid in 1854, when the Crimean War broke out; still earlier buried here were the remains of Admiral Lazarev, the moving spirit of the Cathedral's architectural design. Several years later, the bodies of the killed admirals Kornilov, Istomin and Nakhimov were laid to rest side by side with their mentor and master.

In the 1930s, the remains of the "servitors of the tsarist regime" were desecrated and the sepulchre was wrecked. Yet even when atheistic frenzy was at its height, the cross atop the cathedral continued to shine golden; it could not be demolished as it was designated as a landmark in all world navigational charts. To cut a long story short, for anyone approaching from the side of the sea the cross on top of the Admiral's Cathedral is the "signboard" of Sevastopol.

For Sevastopol itself its holiest site is the Cathedral's crypt, where Russia's admirals lie buried. Here, on February 29 last, in the presence of thousands of people and with all due military rites observed, the coffins containing the remains of the dead admirals of yore and covered with the flag of St. Andrew were reinterred.

Such are the historical facts and the historical mentality. Aware of that and equally so of deliberate defamation of the flag of St. Andrew by the Ukrainian press as symbolizing the "rottenness of the Russian empire," one will easily comprehend the effect produced, when a party led by Ukrainian MP Stepan Khmara came specially to Sevastopol evidently to assume psychological control of the city as the base for the Ukraine's future Navy. However, the outcome was directly contrary, as this thus far politically somewhat lethargic city that had submitted to the inertia of its special status, seemed to spring to life and long queues lined up at desks gathering signatures in support of the Crimea independence referendum. Indeed, some 60,000 signatures, or nearly a quarter of the total collected throughout the Crimea, may be recorded as "thanks to Stepan Khmara," so laughingly noted at the Sevastopol branch of the Crimea Republic Movement (CRM), the driving spirit behind the idea of this referendum.

The matter, of course, has little to do with the stance of Khmara himself or of his team of canvassers, who sought to lure the people of Sevastopol by extolling the Galichina SS division. What they achieved was merely to rudely offer Sevastopol a picture of what the future attitude would be like to Russia and her history, which today fully dominates not only nationalist movements, but even Kiev officialdom.

Anchored in the dust of history

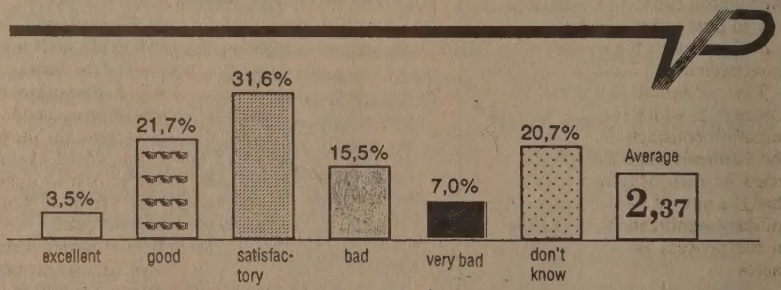
Oleg Vitovich, Chairman of the League of Independent Ukrainian Youth, formulated the point with a bluntness characteristic of extremists in national movements of whom it is habitually said that they "do not express the official point of view." "Kiev's struggle

SOCIOLOGICAL SURVEY

Prof. Boris Grushin's Vox Populi poll

Government barely passes

How would you qualify the Russian government's efforts to stabilize relationships with the former Soviet republics within the framework of the CIS?



Assessed in the process were four various aspects, namely the economic reform, democratization, the solution of national issues, and finally, the stabilization of relationships within the CIS. In the view of the population, the government barely passes. With the evaluation of the government's efforts in various fields, differently assessed, censured heaviest was not Gaidar's pet economic reform as was to be expected and as was universally affirmed, but efforts concerned with interethnic relations inside Russia, which secured only 2.23 points in a 5-point system of assessment. True, assessed somewhat higher, at 2.37 points, is the Yeltsin team's policy within the CIS framework; yet even so, the population's attitude to the government remains on the whole highly critical.

(This all-Russian public opinion poll was taken last March; 1,985 persons were interviewed, and the results have been deduced as against the total polled.)

against Moscow, the Ukraine's struggle against Russia," he said, "must be carried on until victory is won. If those who do not regard the Muscovite herd as a nation are right, then the Ukraine has all the more so the right to win this struggle once and for all."

Is this an extreme aspect of the "unofficial point of view"? However, the General Kuznetsov affair warrants suspecting that Kiev officialdom plans to choose its military according to their readiness to fight Russia...

True, one would think that today when the world is but a hair breadth's away from internationalization of the wars in Transcaucasia and Moldova, the time of smug illusions to the effect that "everything will pass of its own accord" would seem to have elapsed, that now responsibility must be evinced.

Hence, the issue of the Crimea and the Black Sea Fleet call for still greater certainty. Sevastopol, for that matter, is more than just a harbour. It represents a unique biune of city and navy that is deeply rooted in Russian history. Indeed, the cruciform flagstones of the admirals' vault are reminiscent of an anchor let down into the dust of that history, which is not that easy to remove. Consequently, its transformation into an outpost for a war against Russia would generate the surrealistic prospect of the city's war against itself, or the navy's war against the city. Can one imagine what Tyutchev called "the immortal Black Sea Fleet" firing its guns at the Admirals' Cathedral? Not so far. Even the city's grievous economic plight does not change the attitude. The conclusion is plain; it is that the navy will not be won if Sevastopol is lost, and at this present moment in time the Ukraine has lost Sevastopol.

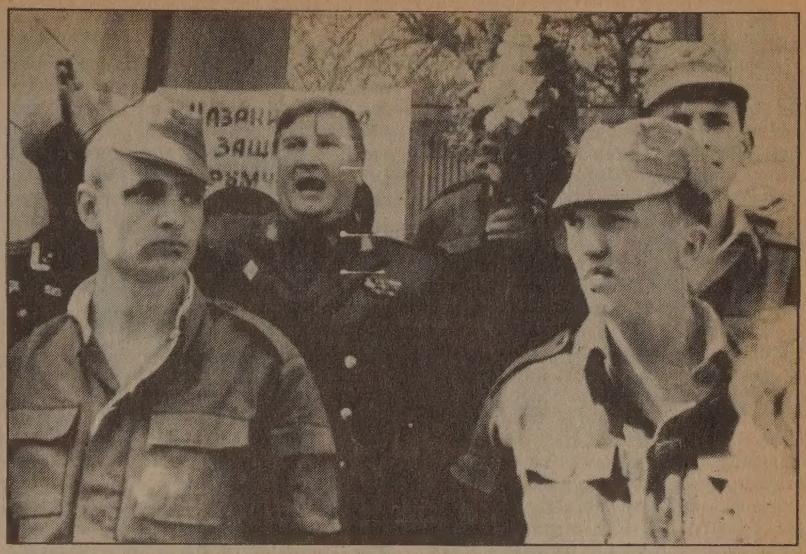
Further, the authority that Sevastopol possesses is too great for any of its decisions to pass without noticeable repercussions thorughout the Crimea. In fact, one would like to note today that had the Ukraine not raised so acutely the navy issue, there would have been no revision of the 1954 acts.

The statement of the Crimea's Military Council, in which the attitude to self-determination conspicuously differs from that of the Crimea's Supreme Soviet, which rescinded its own May 5 resolution, indicates that the navy is aware that it has more than military significance and that it is involved in the process as an independent political factor.

Flag of nonexistent state over navy

Here, the Ukraine's "mathematical" arguments, according to which it is entitled to 17 percent of the whole of the former USSR's Navy, which boils down to the Black Sea Fleet, do not seem to hold water.

Thus, Nikolai Fadeyev, commanding officer of the Black Sea Fleet's air arm, observes: "Whence this percentage? After all the Ukraine already has the property of three of the largest military areas, which is much more than 17 percent of the former USSR's military legacy. For that matter, Russia continues to finance the fleet; the Ukraine allotted us 350 million rubles for the first quarter of the year, whereas Russia gave us 250 million rubles for the month of January alone, though, true, for long this money was frozen in Ukrainian banks. As for material and technical supplies, nearly everything comes from Russia. We are prepared to help the Ukraine establish its own navy, but one that meets coastal requirements."



Ever since Kiev prosecuted General Kuznetsov, he has good chances of becoming a republican hero and a political leader of all of the Crimea

The matter, of course, is not only one of "mathematics." After all, geopolitical interests are not subject to bookkeeping, and everyone excellently realizes that what is at stake is whether Russia will be present in the Black Sea or not, since Novorossiisk will never replace Sevastopol.

For the time being the Black Sea Fleet, which daily hoists the red flag of a no longer existent power, incarnates an integral geopolitical subject, like pre-revolutionary Russia to which the Soviet Union succeeded and which Admiral Kasatonov would like to retain as the CIS under the shield of one common fleet. But can a common strategic contour be retained for the arena of more and more sharply clashing interests?

Then the CIS, insofar as it is not a national state, may not have its own armed forces, its own army and navy, according to international law. All it can have are combined forces. Hence, the red-flag-hoisting fleet does not enjoy any legal status and may not sail the world ocean. Rather does it resemble a mammoth "Flying Dutchman," which has lost its harbour and which does not know where it is going. Such uncertainty plainly cannot continue endlessly, which was why President Yeltsin's April edict to hoist the flag of St. Andrew was so enthusiastically welcomed. The fact that it has been suspended has disgusted many.

Captain Alexei Melnikov, member of the coordinating board of the Sevastopol branch of the CRM and of the Crimean Officer League says: "Russia's indecision and uncertainty are taking the winds out of the sails of many. We prayed for her, but today more and more people advocate an independent Crimea that will decide for itself what troops should be stationed in its territory."

The Russian Supreme Soviet's decision of this May 21 creates a qualitatively novel situation. Scarcely can we doubt that the movement for Crimea's self-determination will enjoy a far stronger stance now and will count but little with the evasive declarations of the Crimean Supreme Soviet, which reneged on its own decision.

Alexander Nechayev, Vice-Chairman of the CRM, says: "On the whole, we have no objections. Let the Supreme Soviet suspend it. It has no effect for the time being, as it must be reaffirmed by the referendum. Then, as our Supreme Soviet takes decisions which it immediately disavows, one can imagine what it really amounts to. Meanwhile the CRM will follow its own rightful course and will hold the referendum."

Shadows of the past

The Crimean Khanate, which emerged in 1443 after the disintegration of the Golden Horde and that from 1475 through 1783, the year in which it was finally incorporated by Russia, was not quite independent, as it was a vassal of the Ottoman Empire, with, incidentally, the southern coast generally part of the Turkish sultan's personal possessions. The then formidable Ottoman Empire, with its ally and vassal, the Crimean Khanate, struck so much fear into the hearts of Europe that – and it would be quite appropriate to recall this today – even the transfer of Kiev to Russia, with the final decision on that score taken by Poland, was in exchange for her active involvement in the struggle against the Crimean khans

whose incursions so greatly worried Poland. As "payment" for Kiev, Prince Vassily Golitsyn mounted two campaigns against the Crimea, in 1687 and 1689. However, an end to Turkey's dominion was put by the Russo-Turkish Kuchuk Kainarji peace of 1774. Crimea joined Russia nine years later. Its status was finally confirmed by the Yassy peace of 1791. **Otherwise there are no international legal acts defining the Crimea's status,** and even the tempests of the past 200 years – the Crimean War, the Revolution, and the two world wars have not abolished that fundamental point. Naturally, the USSR, *de facto* acknowledged universally as heir to pre-revolutionary Russia, inherited consequences of the 1774 peace. As for the 1954 transfer of the Crimea to the Ukraine that was a completely domestic affair having no significance in the eyes of international law.

Not so today. The end of the USSR and the Ukraine's obvious leanings towards withdrawal from the CIS inevitably raised the issue of the legal principles underlying the present status of the Crimea, which has found itself part of a power in no way involved in the adoption of the international legal acts of the 18th century, that thus far nobody has abolished. It goes without saying that Khrushchev's serf-owning-like gesture – who in the goodness of his heart and in violation even of internal legal norms, let alone international standards (which were totally ignored), made a gift to "his bosom friend" of the peninsula with all its inhabitants – cannot provide such foundation.

Furthermore, if Russia today is invested with the status of the continuer state, then she as the sole, of all CIS countries, subject of international treaties that at one time defined the Crimea's status simply has no right to shirk assessment of the 1954 decision which spelled a one-sided violation of the said treaties. Though rescindment of the 1954 act by no means implies the immediate revision of frontiers, it does outline the issue and determines Russia's status as the lawful party to all negotiations and decisions that concern the Crimea. What is more important, it presents an argument for defining the Crimea's status anew, one that today, considering the currently functioning international norms, can only be self-determination.

"Self-division" doubted

The more tangible prospects ahead are: the Ukraine whose claims to the Crimea and the Black Sea Fleet have no profound historical or legal basis does not enjoy any claim either to factors of long-term significance. Most probably will it have recourse to the assistance of the world community and likewise play its currently indisputable trump cards – economic and administrative. However, the tactical gains thereby secured will be offset over and above by the weakening of its overall strategic positions and the mounting discontent of Crimean Russophones.

On the whole, the Ukraine's role as an independent factor will be reduced as concerns the Crimea's lot. At the same time, tensions will grow in relationships between the Crimean Russians and the Crimean Tartars, and between the CRM and the milli-mejlis. In fact, their views as to who should be seen as the subject in the self-determination of the Crimea most markedly diverge already today. For the CRM the "who" are all of the Crimea's present population, but for the milli-mejlis this is but the Crimean Tartars, who, accordingly, enjoy the **sole** prerogative to decide the peninsula's lot. We cannot call this indisputable view, as the Crimea has been a multinational land from ancient times; consequently the Greeks, for instance, who were also repressed in the 1940s, enjoy a similar right as regards its lot. Finally, the prewar Crimean Autonomous Soviet Socialist Republic, which was abolished in 1945, was a territorial-state, not a national-state, formation, in which the Crimean Tartars accounted for no more than a quarter of the total population.

Will the story come true?

...I adore this Island, this memory of the Old Russia and a dream of the New Russia, this rich, carefree democracy, the ports in the rocky south open to all four quarters, the vigour of historically doomed Russian capitalism, the girls and "Greenwich village" of Yalta, the architectural flamboyance of Simfi (Simferopol – **Ed.**), the browsing herds in the eastern grazing grounds, the sprawling wheat fields of the west, the marvel of the industrialized Arabat zone, indeed, the very silhouette of this Island so much like a sea cat.

* * *

...The Aero-Simfi management always took pride in the circumstance that passengers were reluctant to leave. Indeed, when you find yourself amidst the endless halls and lounges with their stylish shops and countless intimate bars functioning round the clock, when you tread the springy soft floors and lend an ear to the barely audible soothing music and catch the remarkably distinct but totally unobtrusive announcements over the public address system that are preceded by a gentle tinkle like velvet on velvet, you feel that you are placed in the reliable careful yet unobtrusive hands of an up-to-date humanitarian civilization, and you are indeed very reluctant to emplane for some nightmarish sleet-bound Moscow or the eternally striking Paris, where your valise may be simply chucked out into the street.

Vasiliy Aksyonov,
"The Island of Crimea"

Nevertheless, this approach has rallied strong support, moreover not only from among the Crimean Tartars and it will not be easy to achieve a consensus.

In addition, looming nowadays is the outline of a tactical alliance between the Ukrainian leadership and the Crimean Tartar mejlis, with the shadows of the two "greats" that had once resolved its lot, to wit, of Turkey and Russia, currently overcasting the peninsula

The Crimean Tartar mejlis makes no bones about its leanings towards Ankara, where its delegations are welcomed at government level and with whom business ties are being intensified. Turkey is already prepared to fill the vacuum that Russia has left in the Crimea, as well as the other vacuums left in Transcaucasia and Central Asia. The fact that maps designating the Crimea – and for that matter the Northern Black Sea shores – as part of the "Great Turan" are printed is an open secret. Actually, there is nothing surprising or even reprehensible about that. Geopolitics, like nature, abhors a vacuum.

Withal, the significance attaching to the Black Sea Fleet as a factor involved in the political process is sharply increasing, consequent not so much upon its own political resolve as on objective development. For it is plain to all that in the final analysis, decisive is the Crimea's geopolitical, not political, status, or more plainly speaking, the question of whose navy is based on its coast. By initiating, most likely too hastily and too sharply, its struggle for the Black Sea legacy, the Ukraine has excellently demonstrated that. However, now, after the abolition of the 1954 acts, the full Ukrainianization of the fleet is still less likely than before. What we see tangibly emerging are but the following two options:

– the growing fragmentation of the fleet – for, as is well known, Georgia has also laid claim to a portion of it – which will be inevitably attended by the Crimea's territorial fragmentation and still sharper rivalry in the Black Sea basin; however, that course of development is little likely in view of the fleet's drastic objection to "self-division";

– the fleet acquires a distinct legal status as belonging to a definite state which in this case can only be Russia as the "continuer state." Russia meanwhile will transfer the fleet to the CIS.

The Black Sea Fleet's officers and men definitely believe this preferable not only because it puts paid to the anguishing uncertainty, but also because it banishes the threat of a revision of the Kuchuk Kainarji peace and of a drastically changed line-up in the Black Sea. However, that already concerns relationships between Moscow and Ankara, not between Moscow and Kiev.

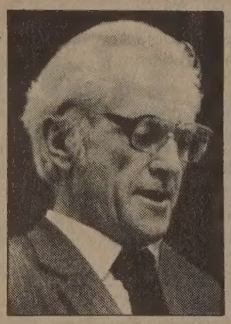
Ksenia Myalo

Iron parliaments embattled

Nothing came of the efforts of the leaders of the two CIS co-founder republics to avoid the painful Crimea issue and reinvokation of the 1954 act in hopes that everything would pass of its own accord

The approach republican leaders demonstrated after last December 7, when CIS was created, implying that they had supposedly retreated to within their administrative boundaries which were inviolate and that what had been dropped by the wayside was gone can hardly be qualified as realistic, even though it might seem abstractedly reasonable.

The reality is that Russia will never be able to pretend it has no relation to the Crimea. But that is exactly what the Ukraine is pressing for; as one might remember, the Ukraine's present ambassador to Russia initiated his current installation in Moscow with the categoric declaration that Moscow had no reason to worry about the Crimea, as that was no concern of Moscow's. It is tragi-farcical that to this day the representatives of the Ukraine and of Russia battle with arguments only in the mass media. Yet on the very day the Russian Parliament considered the Crimean issue in camera, walking up and down the corridor outside the hall, but taking care not to cross one another were the Ukrainian ambassador, the leader of the Crimean Republican Movement, and a spokesman for the National Movement of the Crimean Tartars. Escorted by newsmen, they each voiced their own opinions as they waited for Russian MPs to decide the matter. Why can't they get together and address all their arguments to one another?



Ukrainian MP Stepan Khmara – the best propagandist for a Crimea independence referendum

At the recent Russian People's Deputies Congress, Foreign Minister Andrei Kozyrev was reproached for a too hasty "yes" to negotiating partners

Never say "Yes" too quickly

President Yeltsin is very chary when it comes to territorial disputes, and that is quite right. Foreign Minister Andrei Kozyrev, who has the diplomatic expertise for settling such matters, is still more cautious. However, yet in pre-CIS times, when the Russian Parliament ratified the bilateral agreement between the Ukraine and Russia, some MPs advocated mentioning the Crimean issue at least neutrally for the time being. Further, the parliamentary committee on international affairs supported that, which should have alerted all parties concerned. It believed the Crimean issue was not on the agenda while Russia and the Ukraine were still allied.

One thought the Minsk CIS accords of last December would have removed the issue as they enunciated a common military-strategic and financial dimension and the transparency of boundaries. However, nothing of the sort emerged.

Yuri Bagrov, Chairman of the Crimea's Supreme Soviet, now has additional counters for bargaining with Kiev

Small wonder that as soon as the Ukraine demonstrated "stroppiness" in its relations with Russia, the Russian parliament, whose factions are involved in an acute wrangle, decided to step in. The Crimea represents a trump card for the Russia Unity block, offering a fine jumping off ground for attacking the government and the liberal foreign policy. At the recent Congress of Russian People's Deputies, the MFA was reproached by none other than CIS C-in-C Marshal Shaposhnikov for its overly hasty "Yes." True, the rather influential middle-of-the-way "Free Russia" faction was more restrained vis-á-vis Andrei Kozyrev's policies. There I hear you say what can one expect of professional patriots, conservative generals, and ex-communists. However, it would be imprudent not to take into consideration a good half of the MPs as that is also a reality.

The mine laid under Ukrainian-Russian relations had to be promptly defused. But how? Evidently by circumstantially frankly discussing the Crimea's status at negotiations and by recording the outcome. The Crimean problem could be settled with the Ukraine's integrity guaranteed.

The UK-Chinese agreement to return Hong Kong to China is to go into force on June 30, 1997. However, the currently existing socio-economic system, British naval bases, observance of human rights and local self-government will continue for the next 100 years; furthermore China has pledged not to deploy armed forces there.

Meanwhile China's agreement with Portugal as regards Macao even envisages dual citizenship for the inhabitants of this former Portuguese colony.

Had a similar agreement, taking into consideration all the wishes of the Crimean population, been signed by the Ukraine and Russia (without returning the Crimea to Russia), the 1954 act would have never been raised.

Battle of strongmen

Ukraine's stance could be described by what its President Leonid Kravchuk has said to the effect that "the peninsula's problem is that of the Ukraine alone." Kiev sees discussion of the issue as interference in the internal affairs of a sovereign state, and qualifies the 1954 act under which Crimea was handed over to the Ukraine as just and fair and in full accord with operative legislation. The declaration made by the Russian committee for international affairs that this had even violated the Stalinist Constitution, which called for a simplified *pro forma* legal procedure is ignored.

For the time being Kiev's contention is indirect, reducing to political arguments the meaning of which is that territorial claims lead to destabilization and confrontation. Also trotted out is the argument that in 1926 the Ukraine handed over to Russia part of its territory, as for instance, Taganrog. However, today Kiev has not raised that issue. So why should Moscow seek to "grab" the bountiful peninsula? The Helsinki-

-proclaimed principle of the inviolability of frontiers is also alluded to.

As the press attaché of the Ukrainian embassy in Moscow noted, Kiev plans to "adequately" react to all encroachment, that is in a tough manner, judging by the intonation.

However, the Russian parliament also has more than enough of "strongmen." It resolved that the 1954 transfer of the Crimea to the Ukraine was unlawful, yet also stated that this decision did not spell any territorial claims to a sister republic. This, of course, will not pull the wool down any eyes. The Baltic states followed the same pattern when seeking denunciation of the secret protocols to the Molotov-Ribbentrop pact. Leonid Kravchuk "himself went the same way in his time to secure the Ukraine's independence and its cessation from the Soviet Union," onlookers, in this case, the French *L'Figaro*, observe.

Referendum in any weather

The Ukraine believes the question should be resolved within the context of its relationship with Simferopol. What does this relationship amount to?

Kiev's main opponent in the peninsula is the Crimea Republican Movement (CRM), whose activists campaigned to collect signatures supporting the Crimea independence referendum, obtaining, moreover, 50,000 more than Crimean legislation on referendum requires. The referendum was impelled by two events, namely, the visit by Stepan Khmara's group of Ukrainian MPs, and the General Kuznetsov affair. The case of the General, who refused to fight Russia if necessary, stirred up the entire peninsula, while Kiev has prosecuted the General for disobeying orders in the Crimea as such he has been nominated as a people's deputy of the republic. Today he enjoys parliamentary immunity and has every chance of becoming the republic's hero and political leader of the whole of the Crimea.

The CRM is intransigent, which only intensifies Kiev's pronouncements and actions. There are signs that should pressure grow, the situation will develop as in the Dniester Region. At the outset, the Crimean Supreme Soviet will be called upon to assume control of police, security agencies and armed forces in the peninsula. The CRM has announced that the Crimea independence referendum, which has been appointed for August 2, will take place at all costs. Kiev will not recognize the results insofar, as according to the Ukraine's Constitution, only its Supreme Soviet is empowered to decide matters in respect of territorial integrity.

How will Kiev respond to popular disobedience of the Crimea? Will it impose an economic blockade or presidential rule? An economic blockade which, incidentally, would be extremely difficult to maintain, will evoke a rising tide of sympathy for the people of the Crimea throughout the CIS, especially in Russia, plus similar intensive aid. Meanwhile Presidential rule would be as "adequately" received as the CRM has already warned. At best, it will scarcely have any effect amidst a stably hostile environment. At worst, it can only result in a guerilla war.

There is one more political factor in the Crimea that enjoys what one might term a special standing and whose position is still not completely clear. We mean the Crimean Tartars. Insofar as their immediate purpose is to resettle in the Crimea as soon as possible, they were naturally disinclined to damage relationships with the Ukrainian leadership and are thus far its allies, at least as far as the mejlis of the Crimean Tartar people is concerned.

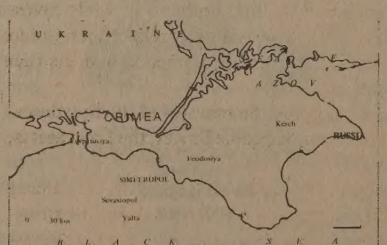
The National Movement of the Crimean Tartars (NMCT) does not recognize the mejlis, regarding it as the darling of the old-time Staraya Ploshchad. Though it welcomed the Russian parliament's decision to revise the 1954 act, it objects to an independent referendum unless two thirds of the Crimean Tartars, still not back in the Crimea, participate, and in that respect they see eye to eye with the mejlis.

The second immediate purpose of the Tartars is to have the pre-war Crimean republic restored. Their sympathies will plainly go to those helping them to re-establish statehood. Evidently, they will play their own game, manoeuvring between Moscow and Kiev. Currently the NMCT advocates a treaty-governed Crimean National Republic within the Ukraine.

A completely independent national republic is evidently a distant objective.

Phantom of dual power

The Russian parliament's decision has created an auspicious situation for the Crimean parliament which may now haggle for additional powers in exchange for a referendum refusal. What powers actually? A budget of its own and the right to enter into direct contact with other states...



Meanwhile the people of the Crimea indignant over their parliament's "apostasy" hold one rally after another. While Simferopol plays its game with Kiev, the CRM may don the mantle of informal leader as it has promised to conduct the referendum "in any weather." Then, we shall see one more feature, to wit, inner tensions and dual power, which does not augur well for Kiev.

As far as Russia is concerned, MPs supporting the concept of an integral state will plainly gain increasing influence according as conflicts in the Dniester Region and Southern Ossetia deepen. They will likewise closely follow developments in the Crimea. Further, popular discontent over the government's having supposedly left Russians in the lurch in the other republics will grow.

To at least partly stabilize the situation in the Crimea, and escape Russia's political pressure, Kiev ought to urgently come to terms with Simferopol on the delimitation of powers. It should demonstrate unprecedented patience and refrain from all sharp words and actions in respect of the referendum and other likely developments. Further, provided it does not rush Ukrainianization of the Navy and generally of all of life in the Crimea and provided it does not ask the generals whether they are prepared to fight Russia, but on the contrary, shout from the housetops that Russia is its best friend and brother, then its perennial patience and moderacy will help it to retain the Crimea within its boundaries.

Any other "impatient" option is pregnant with complications. However, even in the first case, implying wisdom Kiev displays, we cannot rule out the fact that memory of 1954 will recur at moments of crisis. As far as we can judge, a final settlement could be secured at a conference where all the parties concerned, that is, the Ukraine, the Crimea, the Crimean Tartars and Russia would be represented. In any case, what would evidently be more appropriate for the Crimea would be a status that would take into account a range of factors, including among other things, its specific features, its history, its national composition, its languages, and the presence of naval bases.

Agreement must be reached as soon as possible, and as dependably as possible, while at the helm in Moscow, Kiev and Simferopol are politicians capable of coming to terms, and not people like Vladimir Zhirinovsky.

Marina Shakina

Nazarbayev's special path

What will be Kazakhstan's concept of security? This largely depends on Russia's political wisdom

The spring of 1992 became a milestone on Kazakhstan's path to real independence. Without stormy rallies and demonstrations, violence or bloodshed, without hysterically howling about oppression by alien nations, or defaming its own past, the republic made its choice in favour of strong statehood.

The "disappointment" in the CIS mentioned by Nazarbayev late last winter placed Kazakhstan before an uneasy choice between the natural security interests and the necessity to preserve controllable international strategic stability. Several months of complicated diplomatic manoeuvres were crowned in Washington with Nazarbayev's consent to join the Treaty on the Non-Proliferation of Nuclear Weapons as its non-nuclear member. Simultaneously the USA recognized Kazakhstan, alongside Belarus, Russia and Ukraine, as one of the legal successors to the Soviet-American Strategic Arms Reduction Treaty. In other words, Kazakhstan, acquiring de jure the status of a non-nuclear state, will de facto possess nukes for several years to come.

Kazakhstan will de facto remain a nuclear power for several years to come
Photo from Newsweek (USA)

Apart from realism, this way of formulating the state of affairs includes also a sort of mystification. Realism, because there are 108 SS-18 missiles with 10 nuclear warheads each on the republic's territory; mystification, because today Kazakhstan cannot use them independently for reasons which are mostly purely technical. Nursultan Nazarbayev is a guardian of deadly treasures rather than their master.

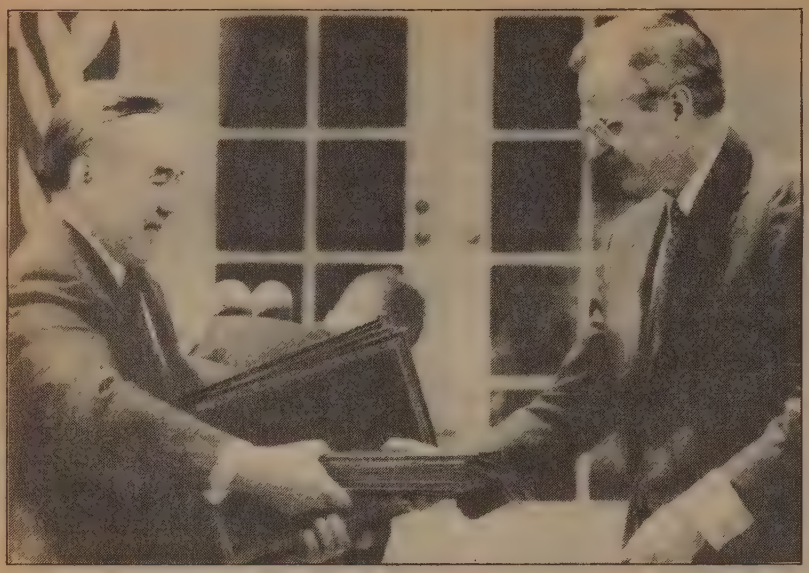
Where're the guarantees?

It's not for nothing that President Nazarbayev put conditions on his role as holder of nuclear missiles deployed on his country's territory. The conditions came in the form of guarantees on the part of the neighbouring countries, Russia and China, and the USA. As far as can be judged the President sees the sources of possible strategic threat in a hypothetical conflict between these three countries, endangering nuclear installation on the country's territory, rather than a direct confrontation with any of them.

Let's be frank. Challenges to Kazakhstan's security are obvious, the major one being the extremely unstable military and political situation in the neighbouring republics of Central Asia which form a narrow strip of land between Kazakhstan and the regions of direct political and military rivalry and confrontation in the polygon India-Pakistan-Afghanistan-Tajikistan-Iran. The settlement of the critical situation in Kabul most seriously affects the prospects of Tajikistan's independence with its three and a half million Tajiks as compared to the 5-million-strong Tajik population in Afghanistan. Certainly, there is no question of a direct threat to this sovereign republic, but only as long as its boarders are defended by CIS soldiers, i.e. by Russia, and as long as Russia's nuclear umbrella over Tajiks remains.

Alma-Ata's new paths

Other scenarios are not ruled out either, since prevalent in Central Asian republics are not so much anti-Russian (though they are not altogether absent) as "revivalist" sentements oriented to Turkey, Iran and Pakistan. Geopolitics is a stable factor, yet it has a dynamics of its own. It seemed yesterday that Central Asian republics organically fit into the framework of



Nazarbayev in Washington: the two presidents had much to discuss

Photo by ITAR-TASS

commodity exchange with Russia, and today we see a railway line from Meshkhed in Iran to Dushak in Turkmenistan being built. It's a short but strategically extremely important line, because it will, in fact, incorporate the railway network built in Central Asia by the "Russian monarchy" into the unitary railway network of the Middle East founded by the "British colonialists." A change of orientation by Central Asian republics? In any case, undoubtedly prerequisites for a change. And whether this re-orientation is going to be based on the struggle for the triumph of Islam or merely on the interest of civilized economic cooperation, largely depends on Russia.

Islamabad doesn't conceal its interest in the developments taking place in the region. The Pakistani leadership refrains from irresponsible statements. However, this is not enough to blot out from the memory of many people the idea of the late President Ziya ul-Haq who dreamed of creating a confederation of Pakistan and Afghanistan. He wouldn't mind joining Uzbekistan to it either. Now there are 1.5 million Uzbeks living in Afghanistan, of whom 300, 000 found refuge from Soviet rule there back in the 1920s, in the times of struggle against Central Asian insurgents. The Tajik leadership may find itself in an awkward position if one day Tajikistan's neighbours, the Uzbeks in the north and the east and the Afghanistan in the west and the south, come to be concerned with this idea of unification.

In the 1950s, having quarrelled with Moscow, China refused to complete the building of its part of the railway which was to directly connect Peking via Urumchi – the administrative centre of the Xinjiang Uygur autonomous region inhabitied by Kazakhs, Kirgiz and Ugurs – with Alma-Ata. Now this error has been corrected, and already this spring it will be possible to travel from the Kazakh capital to the Chinese without leaving a railway car compartment. And a previously non-existent ferry-boat line between Baku and the Kazakh city of Shevchenko is hastily being built. The completion of this project will let to directly connect the railway network of the Kazakhstan republic with that of Turkey, its new attentive, friendly and interested partner in Western Asia, via Azerbaijan.

It would be strange if Nazarbayev who actively elaborates a "southern" policy have failed to take into account all these troublesome and contradictory tendencies in the region, since he himself firmly upholds a secular, polyethnic (if not superethnic) cooperative version of modernization. With both Communist and Islamic fundamentalism alien to it Kazakhstan neither emphasizes nor conceals these differences in its policy as compared to its southern neighbours. Confidence in one's defence potential is not a luxury when one follows an independent political course.

Alma-Ata hardly fears the nuclear potential of its eastern neighbour, China. First, on the whole, and especially in the recent years, China shows restraint and circumspection in matters of nuclear policy. Second, it is not to be forgotten that this country has more than once in the last few decades demonstrated its ability to exert pressure without resorting to nuclear threat. (In this sense its reputation is no better than Russia's or America's). But the problem of Chinese Muslims is what really matters. However, from the point of view of Kazakhstan it's a matter of ethnic affinity of the Chinese Uygurs and Kazakhs to their brethren on the northern side of the mountain ridges rather than that of religion. This mountain borderline between the Soviet Union and China now runs between China and Kazakhstan. Alma-Ata promised not to raise ethnic issues when it established diplomatic relations with China, but a war could come from the Chinese territory which is a reason for concern both in Peking and in Alma-Ata.

Kazakhstan is the first republic of the former Union which got rid of the "little brother" complex, with dignity and without undue aggressiveness. Even the Baltic countries which are almost by inertia regarded as "more civilized and European," tend to see "Moscow's hand" in every foolish action of theirs. Of all post-communist leaders Nazarbayev was the first to view Russia in an estranged and impartial way, from the point of view of the advantages of equal partnership combined with its numerous drawbacks – political instability, economic chaos and simply traditional Russian lack of discipline. No surprise that the sight of troubled Russia prompted Kazakhstan towards the essentially predetermined option in favour of sovereignty and independence, inclusive of a much greater independence in the matters of ensuring its own security.

The agreement on collective security signed by six CIS republics in Tashkent on May 15 was highly appreciated in Alma-Ata. However the fact that the agreement remained unsigned by the two other custodians of nuclear arms on the CIS territory still leaves open to Alma-Ata too many questions of strategic security.

Let's establish special relations!..

From the very outset Russia ought to pay attention to Alma-Ata's arguments and render the President of Kazakhstan the greatest possible support on those questions of the country's national security which may stir up reasonable doubts. It was absolutely clear and natural that

Kazakhstan would show an understanding of Russia's concern for the matters of strategic arms remaining on the Kazakh territory more readily if the republic's own interests were more fully reckoned with. Russia's guarantees for Kasakhstan's security must correspond to the essentially new stage of the latter's statehood, on the one hand, and to the new external strategic situation, on the other.

The present Russian leadership's historical responsibility consists in the necessity to grasp the new realities and to suggest to Alma-Ata an agenda of negotiations organically combining guarantees of Kazakhstan's security and the strengthening of Russia's own security. Geopolitically, Kazakhstan was, from the very outset, "predestined" to become Russia's major ally in Central Asia, possibly, in all of Asia. The new situation in the Central Asian republics, against the background of crisis tendencies on the CIS south-west flanks, may within a few years sharply limit the zone of Russia's direct military responsibility, as well as of influence, in the Central Asian region. This doesn't eliminate the matter of our indirect influence, from political and economic to the power to deter, in this region. In this regard a bilateral military-political and economic alliance with Kazakhstan would be invaluable. An alliance of the kind can be compatible with CIS membership, yet it should not necessarily be limited by its framework, since the model of special relations with Kazakhstan is clearly inacceptable to most other present CIS members.

As there are real threats to its security, Kazakhstan has grounds for creating its own sufficiently strong non-nuclear armed force. In addition to that, Russia has all the means required for defending its territory against any hypothetical strategic threat. So if Nazarbayev, in exchange for such strategic partnership, expects concessions, even considerable ones, in participation in controlling the "nuclear button" and other matters of "levelling" military-political cooperation with Russia, it seems expedient to take into consideration his desires and make an exception for him.

It is necessary to raise professional and business relations with Kazakhstan from inter-republican, to international level and establish a mechanism for consultations corresponding to the status of equal international partners. Since Kazakhstan moves towards real sovereignty, fully respecting Russia's interests; Moscow must duly appreciate its course.

Alexei Bogaturov and Mikhail Kozhokin

KAZAKHSTAN–USA

Alma-Ata followed Kiev's suit

The White House has managed to do what the CIS and Moscow failed to

First Ukrainian President Leonid Kravchuk and later President of Kazakhstan Nursultan Nazarbayev, having negotiated with President of the United States George Bush, consented to document the non-nuclear status of their republics, in conformity with international legal norms.

Both new independent states expressed their readiness to sign the Treaty on the Non-Proliferation of Nuclear Weapons as non-nuclear states. This "status" of theirs was particularly important, because shortly before his visit to the USA the leader of Kazakhstan used to talk about a special status for his country, "nuclear" or "temporarily nuclear." However, the recognition of Kazakhstan even as a "temporarily nuclear" state would expand the "nuclear club" for at least 7 years and possibly, till the next reduction of nuclear arsenals by the United States and the former Soviet Union which may occur even in the next millennium. More than that, it would have set a mine under the non-proliferation treaty which recognizes only two categories of states, nuclear and non-nuclear ones. No provision has been made by international law for states "half-pregnant" with nukes.

Following Kiev's suit, Alma-Ata also consented to sign the protocol to the Soviet-American Strategic Arms Reduction Treaty which will finalize the procedure for the elimination of missiles covered by it. The question of ratifying and implementing the Treaty was suspended following the disintegration of the Union, leaving the nuclear weapons on the territory of four independent states. "The two new independent nations (Ukraine and Kazakhstan – **Ye.R.**), which are sensitive about their national security, their national prerogatives and their relations with their giant neighbour, Russia, could have stopped the process of nuclear arms control and made ratification of START nearly impossible had they refused to give up the nuclear weapons based on their soil," this is how the *Washington Post* described the apprehensions of the Americans.

Only several days passed after the meeting of the American and Kazakh presidents and the five-lateral protocol to START was signed on May 23 at the international conference on rendering aid to CIS which was convened in Lisbon. Russia which has preserved its nuclear status, as well as Ukraine, Kazakhstan and Belarus assumed obligations of the ex-USSR to observe START. The protocol, which was also signed by the USA, contains a provision about joining the START by the above three republics as non-nuclear states.

So how has the White House managed to secure, as one of our old clichés goes, the triumph of common sense? Great is the authority of the only remaining superpower, primarily in military and political matters and especially in the eyes of newly independent states fresh from the embraces of the former Union.

I asked **Dunbar Lockwood,** a staffer of the Arms Control Association, to comment on the Washington agreements.

D.L. The agreements with President Nazarbayev as well as with Ukrainian leader Leonid Kravchuk is significant for the START ratification and implementation, for improving the prospects of further reductions of strategic weapons and for the strengthening of the principle of non-proliferation of nuclear arms. Washington's stance is clear: the sooner these weapons are eliminated in Ukraine, Kazakhstan and Belarus, the better.

N.T. What can you say about the earlier expressed idea of the status of Kazakhstan as a temporarily nuclear power?

D.L. I think that it would affect very negatively the principle of non-proliferation of nuclear weapons. The fact that nuclear tests were carried out in Kazakhstan is not a sufficient ground for recognizing it as a nuclear state. France also tested the nuclear bomb in Algeria.

The status of Kazakhstan is probably closer to that of Germany or South Korea – nuclear weapons are or were, as in the latter case, on their territories, but they are not nuclear nations. If Kazakhstan is recognized as a nuclear state, what shall we tell the Germans, the South Koreans or the Japanese? Alma-Ata has the right to it, but you haven't, or hadn't?

N.T. Yet Washington has recognized the right of Kazakhstan to exercise control over the use and the reduction of the nukes temporarily deployed on its territory...

D.L. The agreement on the right of veto with regard to launching nuclear missiles was reached by Russia, Ukraine, Kazakhstan and Belarus in Minsk. True, Kravchuk, to the best of my knowledge, has complained that he has, for the time being, no technical means for blocking the launching of missiles from the territory of Ukraine. It seems that the Minsk agreements now are primarily a political obligation by President Yeltsin and Marshal Shaposhnikov not to use nuclear weapons without the permission of the states on whose territory they are deployed. I think that before long the corresponding technical means will be available.

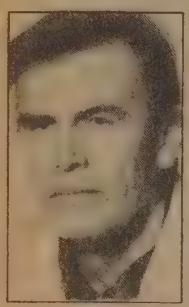
Yevgeny Rusakov,
New Times correspondent
NEW YORK

Lech Walesa's Russian tour

The Polish President returned from Moscow with the Treaty of Friendship and Good-Neighbourly Cooperation and a dozen other important agreements

Our times change everything, even the seemingly eternal pompous and theatrical protocol of Moscow leaders' official talks with leaders of neighbouring countries.

"Top level" visits by our neighbours have also changed. There is less pomp in them, but more desire to search for common viewpoints, mutually acceptable positions and common interests, which makes them morel useful. This applies to the recent first visit to Russia by President of the Republic of Poland Lech Walesa.



Russia had been waiting for his visit for about a year. However, the road to Moscow turned out not so short for the Polish President who said once that "the path from Warsaw to Moscow will always be shorter than the path to New York." Too many unsolved problems had accumulated during the long and frequently painful common history of the two countries. The establishing of new relations was impaired by the Poles' traditional apprehensions with regard to Russian expansionism, the burden of crimes committed by Stalin's regime against the Poles, and by the Kremlin's imposing on the Polish people a Soviet model of development with its boundless power of the ruling Marxist-Leninist party. The problem of the pullout of former Soviet troops which had stayed for almost half a century on Polish land also played its part in it.

However, to drag on indefinitely the period of clearing off historical debries was rather risky for Poland. The restoration of the Baltic countries' sovereignty and the emergence of independent Ukraine and Belarus had largely dispelled the old fears, but new ones came together with new neighbours. In addition, it became absolutely clear that the revolutionary rupture of the previously existing economic, cooperation and other ties had brought no good. Moreover, it turned out that such ties with the Union's successors, primarily with Russia, were vitally important for Poland. To delay their restoration meant risking Poland's special place, determined by geographic location and history, as Russia's important economic partner and a *sui generis* "bridge" in the latter's contacts with Europe, which might be occupied by a third party.

"I am leaving for Moscow with hope," said the Polish President to journalists on the eve of his departure. The hope was destined to come true. The negotiations with the Russian President which Lech Walesa characterized as "rather tough" and President Yeltsin called "a conversation between two tough guys" were crowned, to everybody's satisfaction, with the signing of a Treaty of Friendship and Good-Neighbourly Cooperation between Russia and Poland. This document not only puts an end to past offenses and suspicions, opens to Russia a sure path to Europe and gives Poland a chance to become a key element in the European community which is now being created, but also brings to nought the plans to create at Russia's western borders a sort of new *cordon sanitaire* from the Black Sea to the Baltics cherished in certain circles.

It was also agreed to withdraw the former Soviet troops from the territory of Poland. According to the schedule, 40 thousand officers and men of the Northern Group will return to Russian before the end of this year. Another 10 important agreements were concluded which will help solve the practical tasks of developing cooperation between the two countries. And lastly, in addition to the programme of the visit, a joint communiqué was signed by the leaders of the two countries which condemns the former totalitarian regimes in the USSR and Poland. In short, it has been possible to accomplish the maximum in order to, as Lech Walesa put it at the meeting in Russia's House of Soviets, go ahead without looking back to the past.

The case of Belarus is demonstrative of the prospects: whereas Poland's trade with other CIS countries fell by 50 to 70 percent in 1991, Belarus raised it by 20 percent, which immediately affected the market of medicines, foodstuffs and other commodities.

Certainly, the signing of the Treaty of Friendship and Good-Neighbourly Cooperation and other agreements is only the first, though most important, step. The Treaty is to be ratified by the Polish Sejm and Russian parliament. No doubt, there will be political groups that will try to question the importance of the documents signed in the course of the visit. Some of them, in Moscow, will habitually feel nostalgic for the past when Russia "didn't give in without a battle." Others, in Warsaw, will see in this "a neglect of Poland's interests" manifested primarily by the Polish President's failure to insist on incorporating into the Treaty any obligations for Russia to compensate for the moral and material damage caused to Poland as a result of Stalin's criminal actions.

The growing economic crisis in Russia and the prolonged conflict between the President and the government in Poland will, in all evidence, create additional problems.

Yet equally doubtless is the fact that the signed agreements will not aggravate them. On the contrary, they will promote their quickest possible solution, but only in case they immediately turn from declarations of intentions into practical deeds.

Alexander Didusenko

THIS WEEK

A group of refugees on their way from South to North Ossetia were shot point-blank by an armed group of Georgian terrorists. Among the 36 killed are 15 women, 13 elderly people and 2 children. There are 4 children aged 4 to 12 among the wounded survivors.

Enlistment of volunteers to defend South Ossetia started in North Ossetia under public pressure.

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The Presidium of the State Council of Georgia has decided to mobilize and accommodate in barracks all legal para-military formations in the republic. This has been rendered necessary by the activization of destructive forces in the country, i.e. of ex-President Gamsakhurdia's adherents. It is envisaged to intensify the protection of bridges, roads and public buildings and to heighten the control over entries to and exits from Tbilisi.

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The UN experts have arrived in Yerevan on the decision of the Security Council. They are to assess the situation in the region and report their conclusions to the UN Secretary-General. In the meantime, the first group of Irani observers have occupied positions on the border between Armenia and Nakhichevan. The leader of the Nakhichevan republic has ordered a unilateral cease-fire.

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It has been announced in Kazakhstan that a national currency would be emitted as soon as possible. It will circulate together with the ruble on the territory of the republic.

Belarus has also urgently introduced its own currency. This measure has been caused by the acute shortage of cash money. The decision was made on agreement with Russia's Central Bank.

Russia's Defence Minister, Army General Grachev has said that his ministry will tackle primarily the social problems servicemen face. By the year 2000 the Armed Forces will be reduced to a million and a half. Service by contract, alternative service will be introduced along with selective service.

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The Defence Ministry of Ukraine has voiced a strong protest against Russia in connection with the continued reinforcement of the personnel of the Black Sea Fleet with draftees from Russia and other republics of the CIS.

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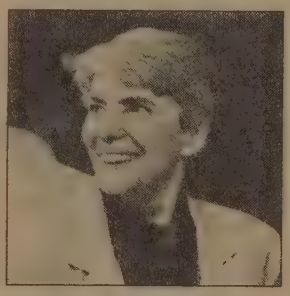

Alexander Solzhenitsin's spouse has arrived in Moscow. She said, answering journalists' questions, that the writer had firmly decided to return back home. He believes that it will be his last residence change.

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A protocol to the agreement on the reduction and limitation of strategic offensive weapons concluded by the USSR and the USA a year ago was signed in Lisbon. The new signatories to the agreement are Russia, Belarus, Kazakhstan and Ukraine.

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The Russaian Parliament has consented to the government's proposal concerning Russia joining the International Monetary Fund and other international financial organizations.

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Special task forces for suppressing illegal armed actions are being created in Tajikistan using internal troops and special riot police. Check-points are established on the roads to prevent the illegal import of arms.

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To comply with the resolution adopted by the movement Trudovaya Rossiya (Russia of the Working People), the Novosibirsk regional branch of the Communist Workers' Party of Russia has started a campaign to hold a referendum for premature termination of Yeltsin's presidentship. One million signatures are required to hold a referendum.

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The Moscow City Council intends to erect a cross on the pedestal of the former monument to Dzerzhinsky on Lubyanskaya Square in Moscow in order to honor the memory of victims of repressions carried out by the state security bodies.

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The leaders of Azerbaijan and Nakhichevan reacted negatively to the statement by the C-in-C of the United Armed Forces of the CIS on the inadmissibility of Turkish interference in the conflict between Azerbaijan and Armenia. The Chairman of the Nakhichevan Supreme Mejlis Heidar Aliev believes that the Nakhichevan autonomous republic has the right to ask for Turkey's military interference.

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The city authorities of Minsk, the capital of Belarus, have forbidden accommodation in municipal hotels of persons arriving from Central Asian republics and the Transcaucasia. The reason for it is the growing rate of crimes by immigrants from these regions.

Quo vadis, homo Soveticus?

The bitter taste of official populism

Drawing by Vasily Dubov

When I hear the word "people" I can't get rid of the obsession that a mob or a croud is implied, even when I hear about "the great people" and, especially, "the great Soviet people." This is so, probably, because, after all, it is not at all "great," but simply numerous, i.e. numerically strong or made up of a great number of individuals. However, there are still "greater" peoples in that sense, the Indian or the Chinese peoples, for instance. Apart from the apparent idiocy of dividing human agglomerations into great and not great ones (and our phraseology includes also the notion of "small peoples!"), there is also a certain ethical perversion in that peoples glorify themselves as great through their rulers. And as happens, so many minds worthy of a better use are stuffed with this propagandist mysticism, so many people in our great (sic!) power have been destroyed in the name of this false popular greatness, that now we have to do with a populace which I used to define as a "people without individuals."

Of course, it's a hyperbolization, since there are still enough individuals in our people. Yet the people as such – I am prepared to be "corner-stoned" by both conservatives and extremists, organicists and cosmopolitans without kith or kin – has not, according to Dostoyevsky, lived beyond the experimental stage as yet. It is still to grow into something – or to fail to, and in this regard, the experience of Soviet life has, on the whole, led it in the obviously wrong direction.

No reason to protest – the historical experiment of artificially breeding a "new man" has failed, or, more precisely, it has yielded a negative result. This new man, having submissively lost, in the humus of the "popular masses," those Christian virtues which its new rulers deemed pleasing to God but not to themselves, acquired or developed instead, under the irresistable pressure of the Soviet life-style, such bandit-like prehensile instincts, such phenomenal abilities to live lives as parasites, that its former exploiters would seem nice and good-natured guardians of all deprived.

However, the Bolsheviks launched their communist attack against the people when the latter was under general anaesthetic – intellectually underdeveloped, ethically incompetent and generally barbarous. Nothing more than a crafty communist selectionist, Michurin's follower, was required in order to engraft, to cultivate in his own manner, this powerful, but still unused vegetable breed.

The party of Lenin and Stalin assumed this fundamental and nature-shaping task, making use of the reliable arsenal of means borrowed from Marx's and Engels's "science of victory."

The process started and quickly progressed, but in the wrong direction. It's worthwhile reminding the contemporary reader about a curious fact of Michurin's biography. He is said to have come to a bad end and to have died a not quite natural death, as befits him as a great reformer of nature – he tragically ended his days, falling down from a gigantic strawberry shrub of the new breed he had grown.

It took the CPSU 70 years of experimenting and cultivating activity before it reached its shameful end. After all, it even succeeded in a way – it managed to eventually grow a new species, the new Soviet Man (colloquially Homo Soveticus) whose examplary specimen are to be found in mass crouds and, at diverse public rallies commemorating Bolshevik anniversaries. Now representatives of this breed apparently suffer, without a muzzle and a ring in the nose used to control a bull's immense and unbridled strength. Now they don't know how to behave and live uncontrolled, because nobody has, unfortunately, taught them to.

The people had hardly had the time to feel at home in the monstrous "new historical human community, the Soviet people," dubbed "great" by their own vivisectionists. It's a historical community in which there was no place for individuals as such, except in the common nameless mob, where the slightest attempts to regain one's own human dignity were cut short in embryo and punished with sword and fire in the name of that same mass mob, with its silent approval. For decades did this great people consume aloofly the indigestible ideological cud without being distracted by such trifles of day-to-day life as millions of innocent lives being destroyed, the lives of people who tried to endow with human image not only themselves, but also those same people, or mob. To no avail – the tough guys from among the "common people" were the first to rush, and they still do rush, with redoubled vigour, to hammer nails into any redeemer who dared run the risk of trying to bring the truth to the people. Yet the Soviet people recognize only one truth: the rulers know better who are to be executed and who may be pardoned.

OK, the rulers know better. The reference to the people is the unquestionable self-justification and the eternal alibi for any party mafia, any group or organization which fosters evil designs. Thus far nothing good has been accomplished in the name of the people. To be successful, it's enough to drug the people with ideological fibs based on the assumption that the people are sacred. The people is presented as something mystical, mythological and as is something profoundly Soviet and deeply communized. Our rulers of the early post-war times managed to baptize their involuntary satellites – "countries of people's democracy," i.e. of people's popular rule. So the first thing these former "brethren for all eternity" did after they got rid of their Big Brother's suffocating embraces, was to replace the seemingly innocent word "people's" from their countries' names.

In fact, ethymologically the Russian word denoting "people" or "nation" only means "those born," or a certain number of those born, which might have been greater or smaller – nothing more than a crop, only a demographic one. No mysticism about it, and in that sense it equally applies to anything which multiplies in some way or other – a people of bees, elephants, mushrooms or herds. And for that simple reason all that phraseology about the "great people," "the people's voice," "the people's will," "people's art," and "the people's rule" is nothing more than ideological vacuity and that very people's opium.

We are looking for a scape-goat: the party is within us, and we are in the party. But what about our "great Soviet people?" Is it, like the Caesar's wife, beyond suspicion? Wasn't it, after all, the CPSU that swore that it is one bone and one flesh with the people, that the party and the people are one?! And aren't communists sons of the people? And Stalin's spongers donning service uniform? And the soldier who defecated on the monarchic throne in the great October revolutionary commotion of storming the Winter Palace? And the glorious revolutionary sailor who dissolved the Constituent Assembly in the name of his people? Wasn't it "the great Soviet people" who, during all those 70 years, sold and betrayed themselves wholesale in labour and battle, in peace and war alike?

Playing God's fools

We know all about our heroical exploits, contributions and achievements. But let us look at it from a global point of view, without national prejudices and, which is still worse, chauvinism, as befits Soviets, Russians, with a surgean's compassion for a patient whose malignant tumour he is removing.

What other "great people" in the entire human history has proved able, in so record-short time (unfortunately, there's no one to compare to), to turn, more or less, one sixth of the whole land (and no smaller part of the ocean) into a desert, failing to learn not only to maintain barter relations with other equally great peoples, but even to feed itself properly.

The Soviet people managed to pump out everything from the truly great land entrusted to them by Providence, plunder all its natural resources, waste away even the fabulous black soils which the Germans took back home as fertilizer. They managed to pollute, and it seems irreclaimably so practically all water basins and rivers glorified in their songs, plaintive like their very existence; squander on drinks the boundless forests of their great Motherland; pollute the atmosphere to such an extent that not only their direct, but even remote neighbours have to turn away their noses. For all that, they managed to emerge nearly naked and have to go begging, since getting things by plunder becomes increasingly problematic.

We used to repeat, and it used to be repeated to us, that our people have given the world so many people of genius (check the encyclopaedia). True, yet it's not a matter of the people producing them, but of those outstanding individuals having glorified the people by their deeds. And, secondly, who has ever calculated the per capita ratio of such individuals in other nations? And, thirdly, truly incalculable is the mournful list of those who have perished sucked into the quagmire of the popular masses, of talents found undesirable by powers-that-be, or who failed to fit into the operation schedule of "socialist realism," or who were simply crushed because of envy, or for "showing off."

It would be nice though if anybody undertook calculating how many man-hours (one more invention by our people!) have been spent by our "great Soviet people" in lines, in jails, and drunken delirium, at all sorts of meetings, briefings, sessions, plenums, rallies, demonstrations, conferences, congresses and other events of the same origin – no human lifespan would be long enough for it. And how many millions of "the elect among the elect" have been elected to the omnivorously poisonous bodies of power – committees, commissions, presidiums, bureaus, councils, groups, directorates, boards and tribunals. And how many complaints have been made by Soviet people against satraps this very people brought to power and fed. How much paper has been spent on obscure resolutions, decisions, declara-

"Reforming Nature, man reforms himself." (Karl Marx.) Here is a still from our recent past when our great people lived through the GULAG stage. The original caption from the album "Stalin Canal"

tions, applications, appeals, addresses, protocols, minutes, directives, reports, references, accounts, messages and communications...

And how many brainless advisers have been sent to all corners of the world to teach humankind the "right way of life," only to leave darkness and putrefacation behind them.

The Russophiles insist that our people are God-fearing, humble, humane and industrious, but spoiled by infidels and the Satanic power. Can't be, gentlemen! One man, many people, even a lot of people can be spoilt, but if somebody has managed to spoil the entire people, the entire nation, this means that it is not a people at all, and even if it is, it is not the kind of people presented in folk-tales. It's more honest and more correct to speak about an "experimental" people or nation, it's both our "sore conscience" and a way out, because a fool who has realized that he is a fool is no longer a fool.

What sort of people it must be to have suffered, yelled greetings to and cultivated this satanic power for so many years, and even now still to be ready to defend it with all its considerably diminished strength! Doesn't this mean that this power has been specially invented for this people, since it feels comfortable only under this regime, criminal and inhuman, devouring all and everyone, including its own children, and camouflaged as "the people's power." This power has always been something decorative, illusory, from its very outset designed to disguise, justify and perpetuate the true power of everything evil, dark, deceitful and criminal that the putrid current of communist movement has brought to the surface from the depths of obscure popular masses during these last decades.

Enough? Yes, probably. Only let us agree on the following: not to blame the regime, or the state system for all the vices of the people. It is not the Belgians, replete with their 400 brands of beer and sausages, inhabiting a territory making a few fractions of one percent of the immense expances snatched from humankind by the great people's empire, not the Turks with their break-through into civilization or any other nations that have allowed the Marxist-Leninist power to grow into a hump on the people's back. Neither these nor any other free nations have volunrarily subjected themselves to the unique communsit slaughterhouse experiment is communal apartments. This ring-worm of universal loss of national identity which has contaminated an enviable part of the world and which has nearly engulfed the whole of it could stricken only the skin of a very neglected organism. And Providence chose us Russians, together with other nations who happened to fall in the confines of our empire to share with us a common fate, as this experimental organism.

Set me free from the people

There is a current thesis now to the effect that our people are not ready for democracy. I would add to it that they are not ready for "the good life" either. Of course, the people want to live "a good life," but their idea of it is rather strange ("Under Brezhnev shops were full and plenty!"). After all, this is "the great Soviet people's" own taste, but what have I to do with it, as well as many others as whose idea of a "good life" doesn't, mildly speaking, fully coincide with the popular one?

There have always existed among the Soviet people and now with the fall of the "iron curtain" having immensely grown in number scattered groups of individuals who have matured for democracy as well as for "the good life." They not only have matured for, they have also deserved both, at least due to their former pitch-dark and hopeless existence exclusively dedicated to "labour and battle." So who has the right to let these individuals rot in the bog of "the people's life?" And for what fault of theirs? All the more so that these people, these individuals, should they have succeeded in their resistance to communism, would activate, by their example and way of life, the nation's still dormant grey matter and awaken the taste for human existence.

So aren't these groups worth of protection, cultivation and of being granted the status of most favourable treatment, at least for the sake of their multiplication in the future – there are more than enough idiots already.

Upon my word – I'm Russian to the marrow of my bones, without the slightest taint of "alien" blood. Yet being a Tatar, a Chukchee, a "Latino," a Jew, a Greek, a Hottentot, or a German, or all of these at a time wouldn't have mattered more to me. You may judge me by a "trial of history," still I by no means want to be a Russian, a Chechen, or a Frenchman. It other words, I don't want to be one of a "people." I just want to be what I am – homo sapiens, i.e. a thinking man.

Just listen attentively to all those talkative congresses of "People's" deputies of all calibres, read all sorts of "popular" publications, pay attention to the people's voice in lines, and if you are not yet completely immersed in their quagmire, you will see that all these political intricacies are, in the final analysis, reducible to a division into two elementary notions – the people (nation) and people (individuals).

Baburin? Yes, this is a clear-cut "People's Deputy" – no man's, or all nation's intellectual property, so to speak. Anpilov? He is not only a People's Deputy, he is a popular tribune who is ready to sacrifice the very people for the people's sake. Andreyeva? No words are sufficient to describe this phenomenon – she is just the People impersonate, with a capital "P"!

It's a well-known fact that the greatest

movement of modern times justly crowned with the Great October Socialist Revolution started, in its time, with inconspicuous tiny rivulets "going into the people." Later the triumphant legal successors of the Populists began singing the song: We've all come out from the people; how shall we now return? This desire wouldn't leave the victorious communist leaders, genuine Marxist-Leninists, for the next 70 years. It was a dream of an urban intellectual to spend a night in a country-side hey-barn, because in order to really return to the people's life, it was necessary at least (as a mandatory entrance fee) to reject the right and privilege of buying caviar at the state-fixed price; but what spouse of a communist grandee would agree to it?

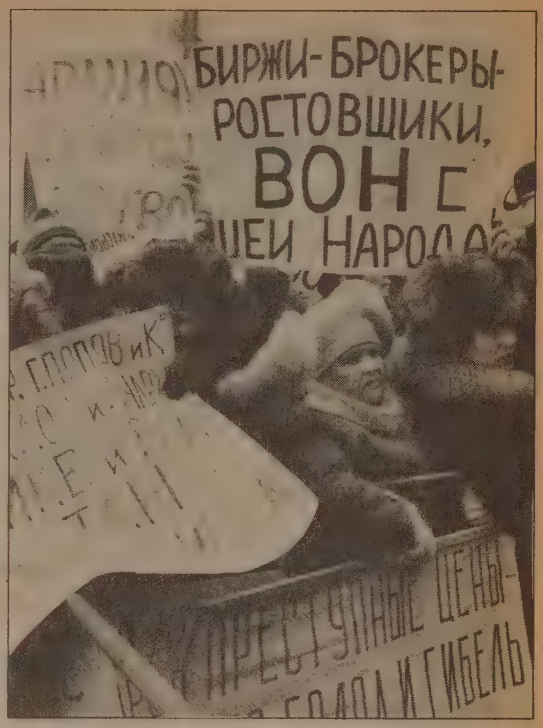
But, friends, gentlemen, comrades! Now we're living almost in democracy (i.e. "people's power!"). So now their epoch-making democratic right to freely come out of the people and no less freely return back should be stipulated by the Constitution at the people's will. Let them return in groups, and one by one. And let them lead those willing to return, let them head, inspire, organize and guide, but on one obligatory condition – this nation-wide movement shouldn't disturb others. Let them move wherever fate brings them; only under the legal provision that it must be a one-way movement. If I were a people's deputy, I would even offer them privileged vouchers there.

Let them guide, but only in specially reserved places, for instance, at the main entrance to Gorky Park, or even near the Mausoleum, the main object of popular worship. Let them lead nation-wide processions to the dead-man's chest.

Generally speaking, a well-nourished Baburin (alias Anpilov, Alksnis, Umalatova, Makashov, Goryacheva and other officials) wearing a beard *narodnik*-style is simply indispensable, even inevitable as a popular leader, because when he leads the people it will be more clearly seen who are the people and who are not. He will become a General Secretary, not of the party (too trifling a thing in the times of people's power!), but of the entire people, while Umalatova–Goryacheva–Andreyeva will be his secretary. And carry on, following Marx's behest!

The populist organicists admire tearfully sobornost, the communal feelings organically inherent to the people (carefully by-passing the obvious herd instinct), i.e. mobbism. Gradually, in the course of the October revolution and during the epoch-making stages of communist construction these admirable qualities were no less organically transformed into deep sentiments for collective and state farms, congresses, conferences and the eventual irreparable collectivization of human beings and generally of anything living. The Bolsheviks understood pretty well that it is impossible to squeeze much from every individual person, while the masses can easily become an inexhaustible source of their affluence.

The whole secret is that the people like it, they even prefer being twisted inside out. What can now prevent one from fostering this communism-producing organicist dignity? Let them consolidate, and collectivize themselves. The only trouble being that our great people has proved unable not only to thrive, but even to secure the minimum subsistence standard under the wisest possible guidance of the embodiment of "the intellect, honour and conscience." It would be nice to formulate this provision for our great people, also constitutionally and, preferably, on behalf of the United Nations, and let them collectivize and communize as they like. They may also have a regularly convened national congress, fed on special sausages for the delegates – but only in some remote corner of their former and equally great Motherland, the USSR. It can be expected that the CIS leaders will then at last reach a concensus – in the name of the people, for the benefit of the people!



They were told they wanted communism in the USSR

It would be nice also to declare by Constitution all population of, at least, Russia (including its internal refugees) human beings. It must be written there: every citizen of the Russian Federation has the right to be a human being. It is also necessary to grant every person the right to "membership among the people" on a voluntary basis, i.e. the right to unite into a people (provided that there are not less than 3 volunteers.) And let those who prove able to, unite, organize collective farms, and build communism to their taste – one can't be forbidden to live in luxury! But only in specially reserved sanctuaries, where they may organize all sorts of bureaucratic machinery, inclusive of a KGB and a CPSU of local significance. They may even award themselves the honourable title of "the great Soviet people."

By the way, some civilized leaders of nations don't scruple to use, with varying success, the mysterious notion of "people." Yet neither Bush nor Mitterand have ever spoken, even ironically, "on behalf of the great Congress people" or on behalf of the no less "great Assemblée National people." Just think for at least a minute over this matter of prime philosophical importance, the name of our people. All other nations identify themselves accordingly – the Germans, the Aleuts, the Zulu, the Swedes, the Greeks, the Chinese – and only we have afforded to identify ourselves not by an ethnic, but a bureaucratic principle: I am not a Russian, a Nganasan, an Uzbek, a Jew – I'm Soviet. Has anyone else in the entire human history invented anything of the sort? Have any people allowed the rulers to identify him or her by the form of social system the said rulers have imposed on them?

The rulers can be understood: they wanted so much to rule as many peoples as possible. One people may not be enough to be called "great"; it's quite a different matter when there are so many

of them, and all are Soviet! They had no choice in fact – thinking in terms of the masses becomes of necessity imperial thinking. A great people must have a great empire.

Let's imagine the following unimaginable sequence: the great (or, incidentally, small) Canton, Congress, Sejm, Cortes, Jirgah, Knesset, Emirate, Land and so on, people. Then nothing prevents us from identifying nations according to their leaders: Stalinist (Leninist), Maoist, Ben-Gurionite, Castroite, Hitlerite, Gaddafian (Arafatian), Kekkonenite, Lincolnite, Helmuth-Kohlian, Yeltsinite, Nazarbayevite, Hirihitoite, Indira-Gandhist, Lech-Walesovite, Pol-Potian, Kravchukian and other peoples of the world.

As concerns us Russians, I would suggest a name which fits all regimes and leaders – the great HoSMaSian people, because the HSMS (Housing Stock Maintenance Service) is the supreme power in our country, and when your faucet leaks (and it leaks in any social system!), you won't rush to a parliament, but to the HSMS. And there, be you a thrice Russian or a four-times non-Russian, you will have to speak "on behalf of the people" there.

In the meantime, we have perfectly mastered the art of working wonders. Recently I saw a newspaper titled *Narodnaya gazeta* (The People's Gazette)of the Moscow Region in the hands of my co-travellers in the subway. Never seen it before. But after a while I noticed a "pledge of guilt" – the words "Lenin's Banner" under the title. My goodness, it was the paper which I loathed to take in hands even in the Leninist times and used to call "The Lenin's Blunder." So everything returns, only in a special package "for the people." The party already tries to disguise itself as the people. I began making up new titles, using the same verbal pattern, such as "The Gazette of Lenin's People," but any of them exuded the same infernal stench.

Since the October climax which raised "Lenin's Banner" over "the great Soviet people" nobody has ever showed interest in this people's opinion, and if anyone had, he would have found out that the people had none.

Boris Grushin, my old comrade-in-arms, spent half of his life-span establishing the first sociological servey service in Soviet history. God help him in his initiative. Unfortunately, he has been a little hasty with the title of his service – "Vox Populi" (The People's Voice). We have neither a "people" nor, moreover, a "voice" and we are not likely to have them in the forseeable future. Our "great Soviet people" has been silent for the last 70 years, following the script of ancient Greek tragedies, and still keeps silent in conditions of almost complete openness. The "great Soviet people" can gather somewhere from time to time in order to yell at the top of their voices, to polish somebody's face from among themselves and to read a resolution. And your, dear Mr Grushin, growing percentage "for" (for abandoning the stinking holes, for a life worthy of a human being) is not at all a "Vox Populi," it is the voice of humans. The true "people's voice" is the remaining percentage of those who fear life without a muzzle and the necessity to really work. This remaining percentage should be granted a huge collective farm where they may go on plundering themselves, but not humans.

Don't want to be a head higher

To put it simpler, the people is entitled to its due, and human beings, to theirs – this is the essence of democracy, although I personally don't grasp the sense of this latter concept, consequently, I reject it. Because the power of the people has the unavoidable propensity to turn sooner or later into power of the worst coming from their midst, who work on the principle of plundering and dividing. Hence the inevitable paradox: these democratically elected and honorable rascals say that they have to feed the people, while the people are totally indifferent to what is going on at "the top" since, whatever the power, it must be fed, and there is no outcome to this tragic farce. So I (hopefully, not alone) dream of a power of human beings. A homocracy, if you prefer. It may be anything except power of a people over individuals.

Stop shaking a human cocktail. Human beings and the people are two distinct and incompatible entities. Enough of bulldozering us together with the people to make a fertilizer of history. Personally I also want to abandon the people – can't I have a right to it? I want to possess not national (all people's) property, but my own property, even though it is reducing to zero in the course of the present reforms which are, incidentally, carried out for the benefit of the people. It's another matter that when I come to possess it I may decide to squander it on drinks, thus making a contribution to the all-people's property and plunging back into the people. Yet I must have the right to dispose of my own property in some way or other.

Once upon a time our moustached leader enchanted us, then unreasonable youngsters, with his mysterious incantations to the effect that we, the simple Soviet people, are a head higher than any high bourgeois official. And we did yield to it! It boosted our pride. But now, from the height of my own experience of life, I no longer want to be even a head higher than he, as, by the way, I no longer want to be, and I will never be, a "simple Soviet man." I only have a simple and natural desire – not rising a head higher over my bourgeois antipode, to live or to have the possibility to live as he does. I even have no claims for the position of a "high" bourgeois official, suffice it to be a regular bourgeois functionary. More than that, a rank-and-file bourgeois labourer moaning under the iron heel of capital. But at my own risk and on my own responsibility, and not a nation-wide irresponsibility.

Soviet leaders have always sharply compared socialist collectivism to bourgeois individualism. And we, together with the people, gave in to this hypnosis and voluntaruly handed over our personalities to the all-people's property. But it's never too late to repent, and these lines of mine are a curse and a repentance at a time, repentance for having adhered to collectivism, sobornost, communalism, a collective farming system, congresses, communism and the like. I no longer want to be one with the majority, I want to cure myself of Bolshevism and form a tiny but distinct minority.

A people begins with man and ends therewith. So set me free from unity with "the great Soviet people." I want to live and die simply as Vitaly Ganyushkin, I do have the right to it!

Let it be my eulogy to individualism, albeit bourgeois individualism, if any prefers to define it that way. Let's become human beings, let us cultivate life not for the benefit of the people but for each of us and, possibly, this will shape us into a people.

Some astrologists foretell that Russia is going to save the world. Maybe, but only if it comes to be peopled with Men, preferably Great Men, not with a Great People. I don't dream about Cassandra's laurels, yet I believe that if we don't take care of man as a personality, if we don't bother to completely liberate and support him both morally and practically, then a Universal Mob will reign supreme, boorish communism and communalism will set in. And it will be a disaster not only for one people, but the entire world.

Vitaly Ganyushkin

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Sergei Vertyachikh:

I began in camp

Sergei Vertyachikh, president of the Favorit commercial bank, is 37, a graduate of the Moscow College of Steel and Alloys. He is married and has two children.

How did you become a banker, that entirely new field for homo Soveticus?

Upon graduation from college, I worked as an engineer at the Azovstal steel plant, and in 18 months was promoted to the job of deputy superviser of the computer section. I also wrote a thesis on blast furnace automation. But as I had nowhere to live, I had to give the job up and move to Eastern Kazakhstan, where I worked at a flotation plant. I then joined the Ministry of Internal Affairs under whose auspices I got a job in a prison camp administration first as foreman and subsequently, 18 months later, as head manager of its electrical engineering plant.

You have your client, your bank, the law and economic expediency. That's all"

Do you mean to say you were in charge of a plant whose personnel was comprised of convicts?

Actually that was where I first took a serious interest in aspects of economic management. In 1981 I introduced for these convicts what subsequently came to be known as the team contract. Naturally, I soon encountered many difficulties. When I finally realized what could be rearranged and reorganized, the factory carried out the plan for the year already by the close of May. But I was given a dressing down, instead of being thanked. As a result, I was transferred to Ryazan as production superviser at its biggest and most backward prison colony, which was in its way a backwoods for me, as I was not allowed to get the factory there properly going. It was too close to Moscow.

Do you mean to say that this backwoods, as you call it, was that because it was so close to Moscow?

You see, the people from the central administration of corrective labour institutions kept on inspecting us, so to say, all the time, and did not let us get on with the job. Out in Kazakhstan, it was much simpler: there was nothing there but steppeland all around and you could expect an inspection visit only once in six months; when the officer in question came, he would be given a hotel room and provided with a jar of alcohol and fishing tackle. That was all. Here it was only three hours from Moscow by rail.

I held the job of production superviser for almost a year, but did not sign a single paper, as everything was padded. I simply refused to sign, and a convict signed these papers in my place. In short, I was the complete rebel. Moreover, at the time I had divorced my first wife and married anew, this time a girl from Moscow. But as I did not get a transfer to the capital, I asked for a discharge. In Moscow, in 1982, I started up as an electrician, with a monthly pay of 80 rubles.

Curiously enough, how much did you get when you were in prison administration?

It was quite decent for those times, ranging from 500 to 1,000 rubles a month. I produced rationalization suggestions and had no qualms about drawing up the proper papers for that purpose, with the result that I collected almost the entire regional fund of the local society for inventors and rationalization suggesters.

Couldn't you find any other job in Moscow save that of electrician?

The thing was that by that time I was an expert and could manage any line. However, in Moscow you won't get a good job at once without pull – I wouldn't have been able to stand a job half way in the middle. It was much simpler for me to stick out the day, to come, do what I had to do, and go. My electrician job was with a security office. They considered the worst bank security, because at a bank you couldn't expect anything extra in the way of clothes, vodka or sausage. So, I serviced the Kievsky district branch of the State Bank, where I made friends with its deputy manager and with the inspector from the municipal security office, who kept an eye on the banks. To cut a long story short, when the job of an engineer on bank security at the Moscow office of the State Bank fell vacant, I was invited and almost immediately found myself holding the job of deputy chief of cash operations department. By that time it was already April 1987. As you see, I had already chalked up some five years of service in banking.

I recruited some young chaps, college graduates, and let me note that thus far I've never employed anyone older than 25. This is because their brains, so to say, are fresh. I have enough know-how, but that's something I lack. I can see some five moves ahead, when I'm going to come up against a blank wall, but youngsters don't, and that's why they have no inhibitions.

My deputy bank manager Dmitry Yolkin is only 23. I gave him the chance to show his stuff. He is absolutely fantastic at absorbing information, but the main thing is that he knows how to analyze it. He joined the bank staff as a typist and I made him climb all the rungs of the ladder, from a secretarial job to that of branch manager. I invested tens of thousands of rubles in his training, but it has been quite worth it.

How did your own career go at the State Bank?

Came September 1987, when the USSR's banking system disintegrated, and set up besides the State Bank were the Promstroibank for industrial construction, the Zhilsotsbank for housing and social affairs, and the Agroprombank for agricultural industry. I was invited as head specialist in the Promstroibank's department for cash circulation. I outfitted cash desks, organized technical and police security and the linkup with the cash receipts collectors. I had two years there confronted with a rigid structure that I simply could not break through. It's an office clan of people who know nothing but how to handle and file papers. All initiative is quashed at the very start.

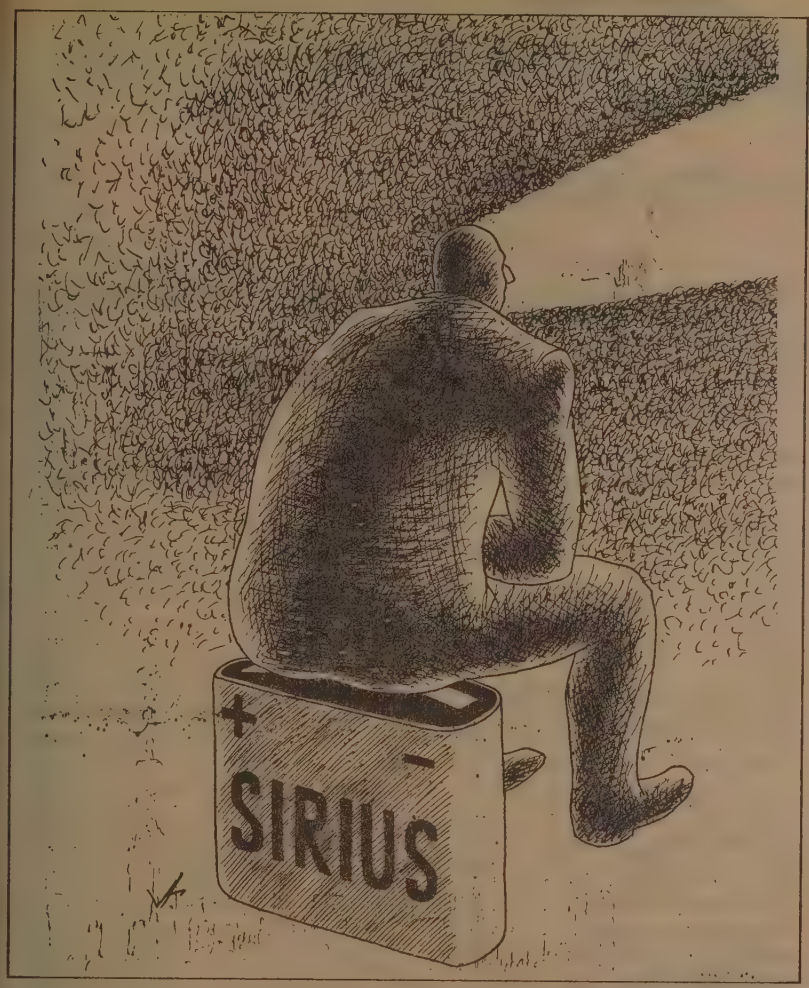
But wasn't that in 1987 when perestroika was in full swing? Didn't that ministerial crowd begin to think differently?

Well, they also talked reform and started formulating circulars, which they certainly knew how to do, but what they didn't even know was how these recommendations and proposals should be carried out by their subordinates. All they did was to send off the respective circular and get report back, but they didn't bother to find out whether these reports were the real thing.

I was ashamed. Look, grown-up men, many with good brains but busy with a lot of nonsense. Still, at the start of 1989, some good heads at the Promstroibank came up with new ideas. First among them was senior economist Vladimir Vinogradov, today President of Incombank, the banker I respect most. Eventually all these men left. In fact, I don't have enough fingers on my hands to tick off all from Promstroibank who by now have become serious businessmen. There, though, they were doing mediocre jobs.

So you also left?

Yes, with two of my colleagues. We de-



Drawing by Arkady Gursky

vised the project and documentation for a commercial bank which we called Kobra. We started out in November 1989, and we must have been, as I think, one of the first ten actually functioning non-state banks. I was made its vice-president. However, early last year I understood that to be second in command is not for me.

So you decided to set up your own bank, evidently?

Yes, a bank that I've called Favorit. What I wanted to do was to set up a bank that would be a kind of laboratory, a bank pure and simple, a rigidly planned financial institution.

No bank is a cooperative kiosk or shop, as I see it, so where did you get the money?

We scouted up a circle of shareholders, mainly from Kobra, who had been its clients as I had been its vice-president. They trusted me with a 5-million-rubles loan.

Were these state structures?

God forbid. They were all commercial structures.

Did you get the necessary premises?

We started out with just one room, where we had eight desks and three or four clients at one time. Now it's much better. Recently we opened a branch in Sokolniki, and by now have a staff of 23.

What yardsticks do you go by when hiring employees?

We don't take everyone. I told the members of the board to hire their own people, provided they trusted them. We instituted a two-months-long period of probation.

Do you control everything your employees do? Or do they have enough room to work on their own?

Sad to say, one is often obliged to split hairs. But in principle, they have enough room to act as they see fit within the limits of the job. They know what they've got to do, although sometimes you run across cases like one of our section chiefs who didn't know what to do. He would report for work and always ask what he ought to do, so we had to fire him.

Whom does your bank grant credits?

Are there any definite principles you go by?

Terms differ very much so. We are very tough when dealing with commercial speculation. Why on earth should I show altruism, because after all, I have to buy that money. But when it comes to production, we grant credits on very favourable terms, and thus far have been quite successful. Moreover, we even give loans to state outfits if we are sure their superiors won't take this money away from them. We want to invest in long-term programmes, for instance, a highly significant major aviation programme that we have now projected.

But you're not a very large bank, are you, to cope with so large a programme?

We want to promote what this country has never had. I mean an aviation business that is not state-run. As we don't have the money to invest in aviation technology, we prefer to invest in the intellectual side. In practice, this amounts to financing people and outfits with prestige in the area. We help organize consulting and marketing firms and in principle, have some very hopeful prospects. However, to get the things done, we must greatly increase our capital. Intellectually, we are already far ahead of our stock, and that is why today we are thinking of floating shares. Many would like to take part, including some major commercial structures. What they propose in plain terms is to buy up our bank. But that's our life's blood. We have our own principles and don't want to be an appendage of some major structure.

How would you assess the current Russian government's economic policies?

It knows what it's doing. What I particularly like is that it stays cool. Of course it has its faults, but generally speaking, it suits me down to the ground. What suits me is stability. We're a very law-abiding lot. We want to survive, and if we can get rich in the process, that's fine, I'd suggest that others do the same. If you are a leader and have chosen a team for yourself, then show them the way. After all, if you don't like the law, you mustn't chuck up everything and engage in sabotage. That's simply not serious. There, some businessmen have been demonstrating against this and against that, but we're never going to do that. We only want to strive to keep going.

Does that mean to say you don't want to take part in any groupings of entrepreneurs?

What on earth for? I don't want to be indebted to anyone. If I keep going that means I'll be doing it by my own efforts, but if I don't, that means I went wrong. You have your client, your bank, the law, common sense and economic expediency. That's all.

Interviewers:
Igor Bunin
and Alexander Ivakhnik

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THE LAW OF THE RUSSIAN FEDERATION

ON THE TAXATION OF INCOME OF ENTERPRISES AND ORGANIZATIONS

Article 1. Taxpayers

1. Income tax shall be levied on the following entities:

a) enterprises and organizations (including budgetary enterprises and organizations) which have the status of legal entities under the legislation of the Russian Federation, including enterprises with foreign capital participation, and international associations and organizations that have been established on the territory of the Russian Federation and engage in entrepreneurial activities;

b) affiliated branches and similar units of organizations and enterprises that use independent balance sheets and settlement accounts.

The payers of income tax listed in the present section shall hereinafter be named "enterprises."

2. Tax collection procedures for enterprises which operate in the areas of railway transportation and communications shall be defined by the government of the Russian Federation.

3. Income tax shall be levied on companies, firms, and any other organizations which are set up under the legislation of foreign countries and carry out entrepreneurial activities on the territory of the Russian Federation through permanent representation (hereinafter referred to as "foreign legal entities").

The permanent representation of a foreign legal entity is defined for taxation purposes as a bureau, office, agency, or any other type of business, including those concerned with the development of natural resources, the performance of work under contract to construct, erect, install, assemble, and service equipment, the provision of services, and various other activities, as well as organizations and individuals appointed by foreign legal entities, to represent them in the Russian Federation.

4. The income of the following shall not be subject to taxation under the present Law:

a) banks;

b) credit institutions – in relation to the income generated through specified banking operations and transactions conducted according to established procedures;

c) enterprises – in relation to income from insurance activities;

d) enterprises of any organizational type – in relation to income from the sale of agricultural commodities produced by the enterprises themselves.

The enterprises and credit institutions (with the exception of banks) listed in the present section shall, under the present Law, pay tax on income from the specified activities.

Article 2. Objects of taxation and the procedure for computing taxable income

1. The object of taxation is the gross income of an enterprise, reduced (or increased) according to the provisions of the present article.

2. The gross income is the sum of profits derived (or losses incurred) from the sale of products (provision of services or performance of work) and the sale of fixed and other assets of an enterprise, and profits derived from non-sale transactions, less the amount of expenses associated with these transactions.

3. The profits (or losses) from the sale of products (provision of services or performance of work) shall be computed by subtracting production and sales expenses included in the costs of these products (services and work) from the revenues form the sale of these products (provision of services or performance of work), less the value-added tax and excise taxes.

4. The profits from the sale of fixed and other assets of an enterprise shall be computed, for taxation purposes, by subtracting from the selling price of these assets the original or residual value of these assets adjusted by the inflation index, according to the procedure outlined by the Supreme Soviet of the Russian Federation.

The original value approach shall not be applied to fixed assets, intangible assets, or low-value and rapidly depreciable assets.

5. In the case of barter transactions or sales of products (provision of services or performance of work) for prices below their costs, tax shall be levied on the value of the transaction, which shall be determined on the basis of market prices (including commodity exchange prices) for similar products (services and work) prevailing on the date of the execution of the transaction, and published according to the procedure established by the government of the Russian Federation.

6. Profits derived from (expenses incurred in) non-sale transactions shall include the following: profits from shares in other enterprises, profits from leasing arrangements, profits (dividends, interest) on stocks, bonds, and other securities held by an enterprise, as well as other profits (expenses) associated with transactions not directly related to the production and the sale of products (provision of services or performance of work), including sums of money collected and paid out as penalties or damages.

Sums of money which, according to the legislation of the Russian Federation, accrue to the state budget as penalties shall not be included as expenses incurred in the course of non-sale transactions, but shall be subtracted from the retained income of the enterprise.

7. Foreign exchange earnings shall be subject to taxation in conjunction with ruble revenues. Foreign exchange earnings shall be converted into rubles at the exchange rate of the Central Bank of the Russian Federation in force on the date when the funds are deposited into the foreign exchange account or the cashier's office of an enterprise.

8. In order to compute the sum of taxable income, the gross profit shall be increased by the amount by which the sum of wages paid out to personnel in the enterprise's main sector of operations and included in the costs of products (services or work) exceeds statutory payroll limits.

The procedure for determining the tax-deductible amount of expenditure on wages earned by personnel in the enterprise's main sector of operations, which shall be used in computing taxable income, shall be set annually by the Supreme Soviet of the Russian Federation, upon the recommendation of the government of the Russian Federation.

9. For taxation purposes, the gross profit shall be reduced by the amounts of:

– rental payments to the budget paid, according to established procedures, out of income;

– profits (dividends, interest) on stocks, bonds and other securities held by an enterprise;

– profits from participating in the operations of other enterprises, with the exception of profits earned outside the Russian Federation;

– profits (including profits from the leasing and other forms of use) of casinos, video salons (the showing of video recordings), from the rental of video and audio cassettes and recordings, and from the operation of gaming machines offering money prizes, which shall be computed by subtracting the expenses (including wage expenses) from the revenues arising from the provision of these services;

– profits from large-scale concerts and theatrical entertainment held in open spaces, stadiums, sport halls, and other premises which provide space for more than two thousand persons;

– profits from intermediatory activities and transactions;

– profits from insurance activities;

– profits from specified banking operations and transactions;

– profits from the production and sale of agricultural commodities.

10. In computing the taxable income, the gross profit shall be reduced by the amount of provisions to the reserve fund or other similar funds, which enterprises are required to create by the legislation in force, up to the point where they

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reach the volume prescribed by the enterprise's charter or 25 percent of the authorized capital, whichever is smaller. The amount of provisions to these funds shall not exceed 50 percent of the taxable income of these enterprises.

11. Budgetary organizations and other nonprofit entities which derive profits from entrepreneurial activities shall pay tax on the amount by which porofits thus earned exceed expenses.

12. Funds retained by enterprises after payment of taxes, which may be pooled by different enterprises in order to undertake joint operations, as well as funds received in the form of donations or other voluntary contributions, shall be exempt from income tax.

In this case, the object of taxation shall be profits derived from the use of the above funds.

13. In respect to commodity and stock exchanges, the object of taxation shall be the profits derived from the leasing and sale of broker's seats, transactions involving the purchase and sale of commodities, securities, foreign currency, and other goods concluded at these exchanges, as well as other categories of entrepreneurial activities.

The portion of proceeds from the sale of broker's seats, which, according to established procedures, is contributed to the authorized capital of an exchange, shall not be considered profit for taxation purposes.

Article 3. Special provisions for determining the income of foreign legal entities

In determining the income of foreign legal entities, the following special provisions shall apply:

a) the tax shall apply only to that portion of the income of a foreign legal entity which has been derived from operations in the Russian Federation. The tax shall not apply to the income of a foreign legal entity from those foreign trade transactions, concluded exclusively in the name of the foreign legal entity and involving the purchase of products (services or work) in the Russian Federation or the export of products (services or work) to the Russian Federation through barter arrangements, in the course of which the foreign legal entity, according to the legislation of the Russian Federation, assumes title to the products (services or work) before they cross the state border of the Russian Federation, with the exception of income derived from the sale of products from warehouses on the territory of the Russian Federation that are either owned or leased by the foreign legal entity;

b) should a foreign legal entity conduct its operations both in the Russian Federation and elsewhere, and should it not keep separate accounts of the income derived from activities carried on through its permanent representation in the Russian Federation, which makes it impossible to determine the amount of this income, the amount of this income may be estimated on the basis of calculations which shall be made by the taxpayer and shall be approved by the tax authority which controls its payments ot the budget;

c) should it be found impossible to directly determine the income derived by a foreign legal entity from its operations in the Russian Federation, the tax authority shall have the right to calculate it on the basis of the gross profit earned or expenses incurred by the foreign legal entity, in which case the tax authority shall proceed from the statutory rate of profitability of 25 percent.

Article 4. Expenses included in the cost of products (services or work)

The expenses that may be included in the cost of products (services or work) shall be determined on the basis of the Rules on the composition of expenses incurred in the production and sale of products (services or work) to be recorded as costs, and on the basis of the Rules on the procedure for reporting the results of financial performance to be used in taxation of income, which shall be adopted by the government of the Russian Federation with the approval of the Supreme Soviet of the Russian Federation.

Article 5. Rate of tax

The rate of tax on the income of enterprises and foreign legal entities shall be 32 percent, and the rate of tax applicable to exchanges and brokerage firms, as well as to enterprises, in relation to income from intermediation operations and transactions, shall be 45 percent.

Article 6. Remittance of taxes to the budget

Income taxes collected shall be remitted to the budget according to the Law of the RSFSR "On the Fundamentals of the Tax System of the Russian Federation" and other legislative acts.

Article 7. Tax incentives

In computing the income tax payable, the taxable income, provided the income retained by an enterprise is used to cover its expenditures, shall be reduced by the following sums of money:

a) sums of money expended for the reconstruction and extension of production capacities and for commissioning of new production capacities by enterprises in the oil and coal industries, by enterprises producing medical equipment and equipment for the processing of food products, as well as by enterprises producing medicines, food products and consumer goods (in accordance with lists compiled by the government of the Russian Federation);

b) 30 percent of capital outlays for measures taken for the protection of nature;

c) the expenditures of an enterprise (in accordance with the levels set by local authorities) on the maintenance of institutions and other facilities in the areas of health care, education, culture and sport; nurseries and kindergartens; children's summer camps; institutions for the care of elderly and disabled persons; and housing stock, which are on the balance sheet of that enterprise, as well as expenditures made as the enterprise maintains these institutions, facilities and housing stock jointly with other enterprises. The expenditures for these purposes, made by an enterprise in conjunction with other enterprises, shall be within limits set by the local authorities on whose territory the above-mentioned institutions, facilities and housing stock are located;

d) philanthropic contributions (including those related to the implementation of programs for the retraining of officers of the armed forces, the social protection of servicemen who served in Afghanistan, and servicemen who are retired to the reserve), contributions to environmental protection and health care foundations, non-governmental organizations of disabled persons, and religious organizations (associations) registered according to established procedures, as well as the sums of money transferred to enterprises, institutions and organizations in the areas of health care, education, social security, culture and sport, provided that these payments do not exceed 2 percent of taxable income.

The funds, enterprises, organizations and institutions enumerated in the above paragraph, which are the recipients of these sums of money, shall, upon the completion of the accounting year, present to the tax authority at the place of their location a report about the sums of money received and the way in which they were expended. If funds have been diverted to improper uses, the sums of money misused shall be recovered to the federal budget according to established procedures.

2. The rate of the enterprise's income tax shall be reduced by 50 percent if disabled persons account for at least 50 percent of the personnel of an enterprise, or disabled and/or old-aged persons account for at least 70 percent of the personnel.

In determining whether an enterprise is entitled to the aforementioned incentives, the average number of the enterprise's personnel shall be understood to include the employees on the staff of the enterprise, including those working part-time, as well as persons who are not on the staff of the enterprise, but perform work under turn-key and other civil law contracts.

3. The taxable income of enterprises owned by religious and non-governmental organizations and associations (except trade unions and political parties and movements), professional associations, and non-governmental charitable funds, which have been registered according to established procedures, shall be reduced by the amount of income transferred to these organizations, associations and funds for the conduct of activities pursuant to their charters.

4. Enterprises employing under 200 people (this figure relates to industry and construction; under 100 people in research and research services; under 50 people in other sectors of material production; and under 15 people not in sectors of material production and in retail trade) shall, in addition to the incentives set out in paragraphs 1, 2, and 3 of the present article, be entitled to the following incentives:

a) the tax base shall exclude the income used for the construction, reconstruction and renovation of principal production assets and for the absorption of new equipment and technologies;

b) enterprises engaged in the production and processing of agricultural commodities, production of consumer goods, construction, repair of buildings and production of building materials, provided that the revenues from the aforementioned lines of business exceed 70 percent of the total revenues from the sale of products (services or work), shall be exempt from income tax during

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the first two years of operations. The date of registration of these enterprises shall be considered as the date when they begin their operations.

The aforementioned incentives shall not apply to enterprises formed by the liquidation (restructuring) of other enterprises, their branches or structural units.

Should an enterprise discontinue operations sooner than three years from the date when it began operations, the enterprise shall pay the full amount of taxes for the entire period of operations.

In determining whether an enterprise is entitled to the incentives set forth in the present paragraph, the average number of the enterprise's personnel shall be understood to include the employees on the staff of the enterprise, including those working part-time, as well as the persons who are not on the staff of the enterprise, but who perform work under turn-key and other civil law contracts.

5. Should an enterprise show a loss in the preceding year (according to the yearly accounting report), those portions of its income which are used to cover the loss during the next five years shall be tax-deductible (provided that the reserve fund or other similar funds set up pursuant to the legislation in force are completely used up for this purpose).

6. The following types of income shall be exempt from taxation:

– income of religious organizations (associations) from the performance of religious rites and the sale of objects necessary for the discharge of religious functions;

– income of non-governmental organizations of disabled persons, as well as the portion of the income of the enterprises, institutions and associations owned by these organizations which is transferred to these organizations for the conduct of activities pursuant to their charters;

– income of specialized prosthetic enterprises;

– income from production of technical appliances for disability prevention and rehabilitation of disabled persons;

– income from production of handicrafts traditionally manufactured by national minorities, provided that persons of the indigenous nationality account for over 70 percent of the total personnel of an enterprise.

7. The tax incentives enumerated in paragraphs 1, 4 (subparagraph a) and 5 of the present article shall apply only insofar as they do not result in the amount of income taxes, computed without taking account of tax rebates, being reduced by more than 50 percent.

8. The amount of taxes computed according to the applicable rate, which is payable by leasing enterprises that are working on equipment and facilities leased from public enterprises or their structural units, shall be reduced by the amount of rental (less the allowances for depreciation), which is to be transferred to the budget according to established procedures.

9. Bodies of state administration and the authorities of provinces, regions and districts, and republics within the Russian Federation may, in addition to the incentives provided for in the present article, provide further tax relief for individual categories of taxpayers with respect to taxes whose proceeds accrue to their respective budgets.

Article 8. Review of tax rates and composition of tax incentives

The rates of the income tax and the composition of tax incentives as established by the present Law may be reviewed in the course of approval of the federal budget for the following fiscal year.

Article 9. Procedures for assessing and payment of the income tax

1. The amount of taxes shall be computed by taxpayers themselves on the basis of accounting and reporting documents and in accordance with the present Law.

2. During every quarter, taxpayers, with the exception of those enumerated in paragraphs 4 and 6 of the present article, shall make advance payments of the tax, proceeding from the estimated amount of income for the taxable period and the applicable rates of tax.

Advance payments shall be made not later than the 10th and the 25th of each month in equal installments amounting to one sixth of the total sum of quarterly income taxes. At the request of taxpayers that incur small income tax liabilities, the executive authorities at the taxpayers' location may permit them to pay taxes on the 20th of each month in installments amounting to one third of the total sum of quarterly income taxes.

At the end of the first quarter, six months, nine months and the year, the taxpayer shall compute the cumulative actual income tax liability for the year, making adjustments for the applicable tax incentives and proceeding from the applicable tax rates. The sum of taxes payable to the budget shall be computed with due account taken to payments already remitted.

3. The quarterly remittance of taxes shall be made within five days of the date fixed for presenting quarterly accounting reports, and the yearly remittance of taxes shall be made within ten days of the date fixed for presenting the yearly accounting report.

4. Enterprises with foreign capital participation shall make, during the year, advance quarterly payments of income taxes, amounting to one fourth of the yearly sum of income taxes, not later than the 15th of the final month of each quarter. The sum of income taxes for the current year shall be estimated on the basis of expected income and the applicable tax rate.

The tax on the income actually earned during the calendar year shall be computed on the basis of the accounting report not later than the 15th of March of the following year. The payment of taxes shall be made within ten days of the date fixed for presenting the yearly accounting report.

5. Should the amount of prepaid taxes exceed the amount actually payable, the excess shall be either allocated towards future payments or returned to the taxpayer within ten days of the date of receipt of written request.

6. The tax on the income of foreign legal entities shall be computed annually by the tax authority at the location of its permanent representation.

The amount of taxes shall be determined on the basis of its taxable income and the applicable rate of tax, and adjusted for the applicable tax incentives.

The taxpayer shall be served with an invoice for the amount of the taxes due. The wording of the invoice shall be approved by the State Tax Service of the Russian Federaiton. The tax shall be payable on the dates specified in the invoice.

Foreign legal entities shall register with the tax authorities at the location of their permanent representations.

7. Foreign legal entities shall present, not later than the 15th of April of the year following the accounting year, to the tax authorities at the location of their permanent representations, a report of their operations in the Russian Federation, as well as an income declaration whose wording shall be approved by the State Tax Service of the Russian Federation. Should a foreign legal entity discontinue its operations before the end of a calendar year, the aforementioned documents shall be presented within a month of the date it goes out of operation.

8. Enterprises with foreign capital participation and foreign legal entities shall pay income taxes out of their bank accounts in rubles or in foreign exchange purchased in banks in the Russian Federation according to established procedures and converted into rubles at the exchange rate of the Central Bank of the Russian Federation in force on the date when the taxes are remitted.

9. Taxpayers shall present to the tax authorities at the place of their location within the prescribed time limits their calculations of the amount of income taxes made in accordance with formats approved by the State Tax Service of the Russian Federation, as well as accounting reports and balance sheets. Enterprises with foreign capital participation shall present yearly accounting reports and balance sheets by the 15th of March of the year following the accounting year.

10. Enterprises with foreign capital participation and foreign legal entities shall, according to

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established procedures, present to the tax authorities not only accounting reports and income declarations, but also auditors' reports concerning the authenticity of their financial statements.

The failure of a taxpayer to present to the tax authorities an auditor's report (contract for provision of auditing services) shall constitute due grounds for bringing this taxpayer to justice according to established procedures.

11. Enterprises shall, before the date of payment arrives, deliver payment orders to the appropriate bank branch, requesting it to remit the sum of taxes to the budget. The execution of these orders shall have first priority for the bank branch.

Article 10. Taxation of specific types of profit (income) of enterprises

1. In addition to the income tax, enterprises shall pay tax on the following types of profit and income:

a) dividends and interest on stocks, bonds and other securities issued in the Russian Federation that are held by enterprises, with the exception of income from state bonds and other state securities;

b) income from stakes in other enterprises established on the territory of the Russian Federation;

c) profits (including profits from leasing and other forms of use) of casinos, video salons (from exhibition of videos), the rental of video and audio cassettes and video and audio recordings, and from the operation of gaming machines with money prizes. The taxable profit shall be computed by subtracting from the revenues the material expenses incurred in earning the profit;

d) profits from large-scale concerts and theatrical entertainments held in open spaces, stadiums, sport halls and other premises seating more than two thousand persons;

2. The profits specified in subparagraphs a) and b) of paragraph 1 of the present article shall be taxed at the rate of 15 percent.

The profits specified in subparagraph c) of paragraph 1 of the present article shall be taxed at the rate of 70 percent.

The income from each of the events provided for by subparagraph d) of paragraph 1 of the present article shall be taxed at the rate of 50 percent.

3. The tax on the income from stocks, bonds and other securities held by enterprises and from their stakes in other enterprises shall be withheld at the source. The responsibility for withholding and remitting these sums of taxes to the budget shall fall to the enterprise which pays the income.

4. The sums of taxes on the profits (incomes) provided for in paragraph 1 of the present article shall be remitted to the budget according to the procedure stipulated by article 6 of the present Law.

Article 11. Taxation of the profits of foreign legal entities not related to their operations in the Russian Federation

1. Foreign legal entities shall pay tax on dividend and interest income and on income from their stakes in enterprises with foreign capital participation at the rate of 15 percent, and on the income from the use of copyrights, licenses, leases and other sources (except freight) in the territory of the Russian Federation at the rate of 20 percent.

The income from freight is taxable at the rate of 6 percent.

2. A foreign legal entity which, under international treaties, is entitled to more lenient taxation of its profits from sources in the Russian Federation, shall, within a year of the date when it first nets a profit, submit an application for a tax rebate or tax exemption according to the procedures set by the State Tax Service of the Russian Federation. Applications filed after this date shall not be taken into consideration.

3. The tax on the profits of foreign legal entities derived from sources in the Russian Federation shall be withheld by the enterprise which pays the profit to the foreign legal entity in question. The taxes shall be withheld in the currency of the payment, and the tax shall be levied on the full amount of profit every time the payment is made. The sum of taxes shall be remitted to the budget according to the procedure stipulated in article 6 of the present Law.

Article 12. Special provisions

1. Should an international treaty concluded by the RSFSR or the former USSR set out rules other than those stipulated by the present Law, the rules of the international treaty shall prevail.

The present Law shall not encroach upon the tax privileges stipulated by the universally accepted standards of international law and by special agreements of the RSFSR and the former USSR with other states.

2. Commercial agreements and contracts may not contain clauses under which enterprises or foreign legal entities assume the responsibility for discharging other taxpayer's tax liabilities.

Article 13. Provisions to prevent duplicate taxation

The sum of income (profit) earned outside of the Russian Federation shall be included in the total sum of income which is subject to taxation in the Russian Federation and shall be taken account of in assessing the tax.

When the enterprise is taxed in the Russian Federation, it shall be given a tax credit for the amount of tax on the income (profits) earned outside of the Russian Federation which it has paid abroad according to the legislation of other countries. The tax credit shall not exceed the sum of taxes payable in the Russian Federation on the income (profit) earned abroad.

Article 14. Responsibilities of taxpayers and control by tax authorities

The responsibilities of taxpayers, as well as the exercise by the tax authorities of control over the observance of the provisions of the present Law shall be regulated by the Law of the RSFSR "On the Fundamentals of the Tax System of the Russian Federation" and other legislative acts.

Article 15. Instructions on the application of the present Law

The instructions on the application of the present Law shall be published by the State Tax Service of the Russian Federation with the concurrence of the Ministry of Economics and Finance of the Russian Federation.

President of the Russian Federation
Boris Yeltsin

December 27, 1991

MOSCOW BUSINESS WEEK

SUMMER BERINGIA-92

the world's first sailing and rowing regatta of Chukchee boats along the route from Ualen via the island of Ratmanov (Russian Federation) to the Diomede Islands (the USA).

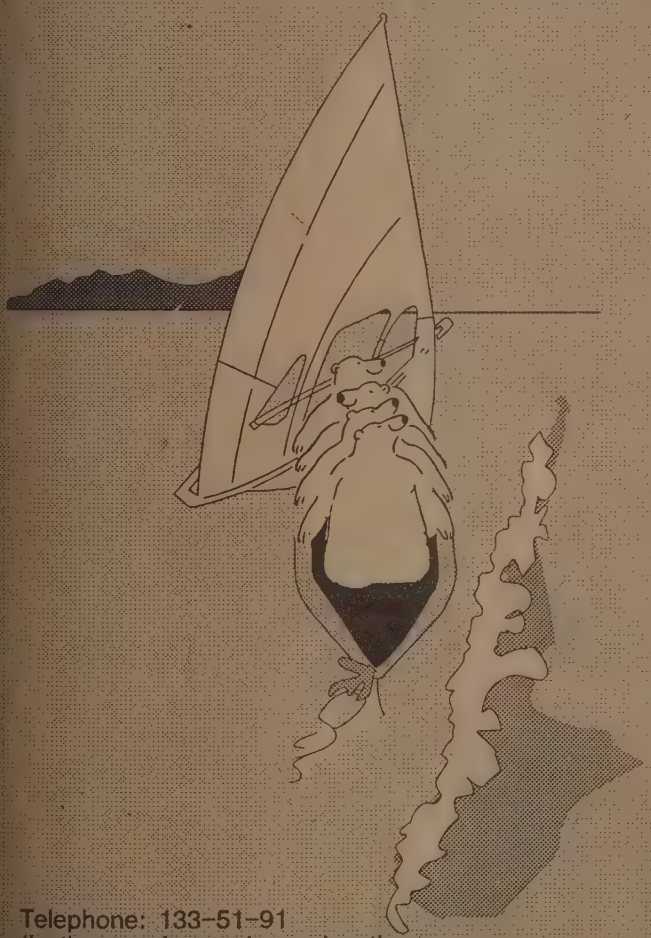
Sportsmen from Anadyr and Alaska will take part in this breath-taking competition in the Bering Strait.

The regatta starts late in July 1992.

The main sponsor and organizer of the event is the government and the administration of the Chukchee Autonomous Region.

SPONSORS:

The Russian Fund of the Peoples of the North, Siberia and the Far East, the International Advertising and Information Agency Russian Press Service, and the Krasnoyarsk Publishing House Vital.



The organizing committee of the race Beringia-92 invites enterprises, firms and individuals to take part in the financing of the renaissance of national sports and transportation facilities of northern peoples of the Russian Federation,

and gives them an opportunity to offer their own prizes. Those who would like to shoot an original film about the Beringia-92 in order to sell it subsequently have a unique chance.

The organizing committee of the race will also reserve two places for representatives of the Ostankino TV company, two places for the central press and four places for representatives of the local northeastern press.

One accreditation will cost 7,000 rubles. Places on board the escorting ship will be provided for accredited journalists and sponsors.

Telephone: 133-51-91
(in the evening and morning time and on Saturdays and Sundays).

The organizing committee of the Beringia-92

The crooked mirror

There is a kind of logic with which we are all familiar: because something is judged to be "good," then its opposite must be "bad." Or vice versa. Thus, to cite a few ready examples, in this country's recent past, communism or socialism were judged to be good, therefore capitalism had to be bad. Now that so many have decided that socialism is bad, it must be that a free market economy is good. Or when Ronald Reagan pronounced the Soviet Union an "evil empire," he assumed that the American Empire was good, which is to say democratic. But Latin Americans do not appreciate the "good democracy" brought to them by the American Empire any more than East Europeans appreciated the "good socialism" brought to them by the Soviet Union.

I would not have chosen these simplistic examples except that 1) they are demonstrably true, and 2) I have noticed during recent stays in Russia that this not very wise logic is applied even among otherwise thoughtful persons. I speak of a frequently stated point of view: in the past Russians and other nationalities were told that American institutions are bad, therefore they must now be good. Or: since the bad that was said about America in the past was not true, now everything good assumed about America must be true. Or: what is known to be good and true about America, must be good and true for Russia too. This logic reminds me of Chekhov's story "The Crooked Mirror." If one looks into a crooked mirror at the proper angles and from an appropriate distance, imperfections are turned into beauty. Or vice-versa.

No doubt, many American institutions are potentially good for Russia. But many things said by Russians and others about America are not true, or are only partly true, or are not truly understood. As Chekhov knew, a bit of skepticism never hurt the truth. Myths have their uses, but history ought to be more or less true. At this moment when the Russian Federation and other independent states need to deal with critical realities, it is time, as my American students say nowadays, to "get real."

A bit of healthy scepticism never hurt the truth, says the American professor referring to Chekhov, especially when America's economy and policy are viewed from Russia

A command economy system in America?

Take, for example, the assumption that since a command economy works badly, a free-market economy must work well. This assumption might be true or false, or both, but a better informed consideration of it might suggest that the American economy does not always work well and sometimes it works badly. Not the least of many myths about the American economy is that it is based on free enterprise. In fact, it is based primarily on corporate monopoly protected by centralized economic planning and financed to a large extent by public subsidy. Free enterprise, competition, individual initiative – all the wonders that promise so much to the new Commonwealth under the name of privatization – are not entirely myths. But the American economy is not free. And given that large corporations enjoy the benefits of protection and subsidy, while the joys of free enterprise are reserved for the poor and middle class, some have been known to call the American economy socialism for the rich, capitalism for the rest of us.

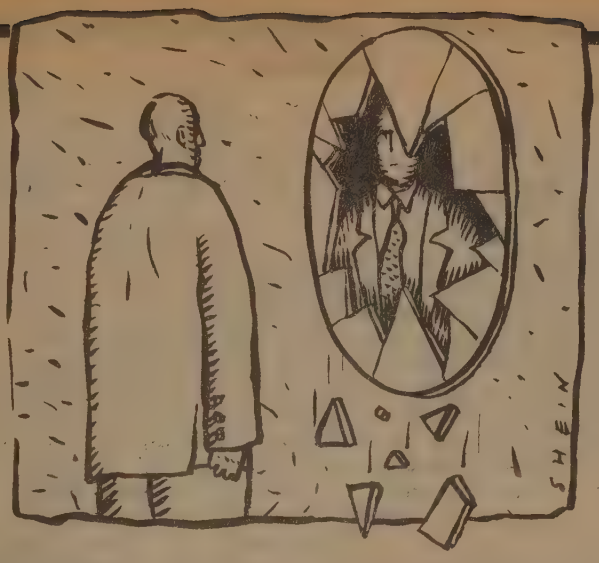
This has never been more true than today, but it is also a historical reality. When the US Constitution was written, and especially during the next half century, when it was defined, redefined, and confirmed by the test of political, social and economic reality, the American political body was divided between Republicans and Federalists. The former believed in a decentralized government balanced by states' rights and limited to support of free public education, development of science and technology, public works, hospitals and medical care, and aid to those unable to care for themselves. The latter believed in a powerful federal government which would encourage and promote commerce.

The key phrase of the Constitution (Preamble) is "promote the general Welfare." The Federalists, whose heirs are the Republican Party, interpreted this phrase to signify their duty to promote economic interests which, conveniently, promoted them in turn. The instruments they chose were a national bank, selective taxation, and protectionist legislation (tariffs) – public support of private enterprise. The Republicans, whose successors are the Democratic Party, feared this interpretation of the Constitution not only because it favoured the rich at the expense of others, but also required enforcement by a powerful federal government whose Chief Executive commanded the army. After all, a "Commonality" which carried out a revolution in reaction to "taxation without representation" might object to paying taxes to subsidize a privileged minority. In fact, when Americans did protest what they considered unfair taxation (the so-called Whiskey Rebellion), they were suppressed by federal troops. Nor was this the last time that the federal army or state militias were used to suppress protests, strikes, demonstrations.

Subsidies are often direct. In the 19th century the railroads were financed by grants of free land to private entrepreneurs. In the 20th century the air transportation system is financed by the construction and operation of airports and aviation support systems at public expense. The defence industry is financed by extraordinarily profitable government contracts. More often subsidies are indirect: a graduated income tax which puts the burden on the middle, lower and working classes; "tax breaks" for corporations and wealthy individuals; legislative manipulation of the monetary system for the benefit of banks; payment to private agencies for public services; development of science and technology in public-supported institutions of higher education and research; elimination or reduction of taxes on profits (capital gains); oil and other resources depletion compensation; passage of legislation advantageous to business interests and blocking of legislation advantageous to the public interest.

Freedom to be entrepreneurial is no absolute

Despite what visiting American businessmen might tell you, the American economy has always been primarily a command economy. Modern Republicans justify support for commerce and industry with the rationale that capital investment at the top creates



jobs for those at the lower income levels. They call this "trickle-down theory." Those of us who have waited in vain for prosperity to trickle down to us have been known to call it "urinate on the poor."

Please do not misunderstand me. I agree in principle with free enterprise. I think that the American economy has always been most vigorous where free competition really exists – at the level of small business and individual enterprise where government subsidy has for the most part been nonexistent. But from the very beginning of the federal republic the American economy has been based, to one degree or another depending on the period of history, on a principle of diminishment of free enterprise and support of monopoly.

Ronald Reagan, George Bush, and other Republicans might SAY they are for free enterprise, but in fact they tripled and are now close to quadrupling the US national debt (deficit) with programmes whose beneficiaries are the corporations, stock brokers, and banks who reward them handsomely with "campaign contributions." They might SAY they are opposed to a strong central government, but they shifted government spending from social programmes to the most dangerous instruments of government power – FBI, CIA, military, covert support of such foreign dictators as Pinochet, Noriega and Saddam Hussein. They might SAY they are for the development of industrial production, but the predictable consequences of their policies are that US steel production is now nil, the Japanese and Germans might very well drive American automobile manufacturers out of business, most of the wealth said to have been created since 1980 is in the form of paper money and dangerously overvalued stocks, the failure of the savings and loan system has severely reduced construction of homes, actual unemployment (as opposed to the statistics published by the federal government) has reached a point where one of every four Americans is unemployed or underemployed.

Nor do I argue against the basic principle of the government's duty to promote economic growth and stability. But too much of a good thing is not necessarily a good thing. I think that a good case could be made historically that the periods of greatest political corruption and economic inefficiency ("from boom to bust") coincide with the periods of greatest monopoly and least competition – the administrations of Grant and his Republican successors for the next half century or more after the Civil War, the administration of Warren Harding after WWI, and the administrations of Richard Nixon and Ronald Reagan. It also seems true to me that the periods of greatest social and economic progress (or recovery) coincide with those periods which combine social programmes for people with free enterprise, i.e., when the power of Federalists and Republicans has been more or less equally divided – the administrations of Jefferson, Jackson, Wilson, Theodore Roosevelt's war against the monopolists, Franklin Roosevelt's New Deal, Kennedy's New Frontier, and until he threw it all away to finance his war in Vietnam, Lyndon Johnson's Great Society.

So far as I am aware, the US Constitution, which is aimed at limiting power by keeping political forces balanced against each other, has failed only twice to reconcile opposing national interests: in 1861 when failure to resolve the questions of slavery and "one Union now and forever" led to the Civil War and in 1876 when the Republican Party resorted to unconstitutional means and state-military force to retain power after an election won by the Democrats. There were many less catastrophic constitutional failures to balance power: the Alien and Seditions Act during the presidency of John Adams, the Great Democrat Thomas Jefferson's abuse of power once he became president, Theodore Roosevelt's "imperialist adventurism," McCarthyism-Nixonism-Reaganism in the 1950s, the Vietnam War engineered with tragic consequences for American national interests by Johnson, the corruption of Richard Nixon's administration, the reckless foreign adventurism and "voodoo-economics" policies of Ronald Reagan. But the constitution has almost always worked, if only eventually and ultimately, and it has worked best when power is limited and political forces equally balanced.

> Our constitution has almost worked, if only eventually and ultimately. And it has worked best when power is limited and political forces balanced

The state can be a good Samaritan too

I have no doubt that my country can offer a great deal of useful experience to Russians and other nationalities of the Commonwealth of Independent States and East Europe. Free market forces work, and the reforms initiated by the present CIS governments are essentially correct – and possibly the only way out of a painful and potentially disastrous situation.

But a few truths about the American economy ought to be kept in mind. American farmers are heavily subsidized by federal funds, and the huge corporate farms developed over the past two decades ("agrobusiness") look suspiciously like Soviet state farms. There is no such thing as a university or research institute not supported by public funds, and many have argued that American higher education could be improved by establishishing a system of free higher education similar to that of the CIS and other countries. American culture and the arts could not exist without federal, state, corporate, and private support – the average income of American free-lance writers is $5,000, most American writers, artists and musicians support themselves by a combination of grants and careers as teachers. Privatization of apartments and homes is an excellent

idea for Russia, I think, but please remember that over 80 percent of the value of an average American home is mortgaged to a bank – which is in its turn subsidized in the form of special-interest laws and protected by a federal insurance programme paid for by taxpayers.

An "iron law" of free enterprise economics is that inefficient enterprises should be eliminated by allowing them to go bankrupt, but several years ago American taxpayers were obliged to provide 16 billion dollars to rescue the mismanaged Chrysler Corporation and several hundred billion tax dollars have been paid to rescue badly managed banks. Rich Americans cry loudly against "welfare bums" who, in their opinion, are too lazy to work for a living. But throughout the history of the United States they have been the first to enjoy the benefits of federal laws. And when faced with the consequences of their own bad decisions, they have never hesitated to turn to the federal government for rescue...

Which brings me back to one of my main points. Russians and others should be more skeptical not only about the realities of American institutions, but also about their efficacy in a different historical, political, economic context. The only aspect of free enterprise that I would feel easy about recommending to Russians or anyone else is the basic principle that social systems work best when people are empowered to decide for themselves.

I have no doubt that my country can offer a great deal of useful experience to Russians and other nationalities of the Commonwealth of Independent States and East Europe

Laws are needed, of course, because individuals must be held accountable for their actions in relation to others. Governments and governmental policies are needed because under the influence of self-interest free enterprise too easily becomes unrestrained licence. But privatization should not be interpreted to mean that one MUST own property, and individual initiative does not mean that one should not be free to enter with others into collective or cooperative agreements. American farmers usually own their own land, but they often own or lease machinery collectively and purchase their goods and services through cooperatives. They would most certainly not want to compete on a market not regulated by federal agricultural policies. It should not come as a surprise to anyone that most Russian farmers, given a choice, would prefer to own their land collectively (preserve their collective farms) and enjoy the right to sell their produce and labour on a supply-and-demand market stabilized by local and national governmental policies. The emphases here are different because American and Russian traditions are different. But the basic principle is the same: free enterprise means that people should be free to make their own choices.

Professor
Loren Leighton

An afterword by a Russian reader

...The article by Professor Loren Leighton is one of the very few which I read not only with interest, but also with joy, because, no matter how hard the circumstances, it inspires hope that they can be overcome, since there are people who have wise and unbiased judgement to view them with.

Prof. Leighton has a complete knowledge of Russian literature, culture and traditions, he has spent a long time in our country and taught here; he has recently married a Russian woman. (According to him, his ideal is Pushkin's Tatiana.)

The matters discussed in this article are, to my mind, very important both for professional politicians and for those intellectuals who are trying to comprehend new life in the former USSR, as well as for common people who no longer trust either communists or democrats, whatever projects of the universal wellfare they suggest. Quite responsible and honest individuals for whom it is extremely difficult to logically and ethically justify a philosophy of life and to find a niche in society will discover in his position lofty bearings in life.

Readers are to judge that Loren Leighton is really versed in the various areas of knowledge, which is evident from his analysis and assessments. His path to an understanding of our life is least of all that of dry reasoning, speculative hypotheses and haughty instructions of a maitre. The truth is open to Prof. Leighton through his kind heart and his love for the common people who, in America and in our country alike, are to him both the highest value of being and the criterion of correctness for judgments about it.

Professor
Leonid Goldin

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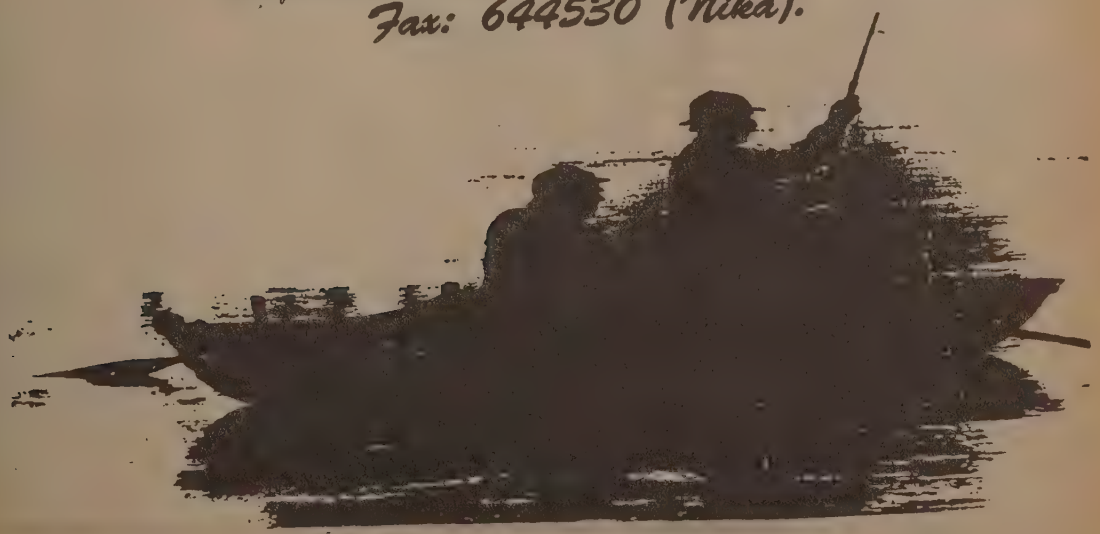


Safety First

An agreement has been signed between the concern Imatran Voima and the design and consulting company Jaako Peyuru in Helsinki at the initiative of the Finnish government. The agreement calls for the establishment of a working group, and will include among its members Russian experts. They will work on projects to rebuild the Russian energy sector, with the goal of enhancing its efficiency, safety and economy.

The group will start out by drawing up general principles for a new energy program, identifying power stations requiring immediate overhaul, and helping to phase the most dangerous Russian nuclear power plants out of operation. Slated first to go will be those found in regions neighbouring Finland.

Hermeses of all countries, unite

The board of the concern Hermes has decided to hold a constituent conference of the International Association of Hermes Companies in Moscow. Hermes & Co. President Valeri Neverov said that the assocition would be comprised of the companies named Hermes and enterprises holding stock of the Russian Hermes & Co. There are 24 companies named Hermes, and some of them, including those in Italy, Germany and Greece, have already evinced interest.

The idea is that the members of the Hermes association will make investments in oil and gas production and processing, as well as in the timber industry. They also plan to organize displays of oil and gas equipment.

Neverov noted that today he can attract up to 20 m USD and 40 bn rubles in investments. According to him, most of the investments will go into oil processing, as they prove twice as profitable as those seen in extraction. Many enterprises need to be fully overhauled, as their equipment is known to be abysmally worn down.

American refrigerators to Russia

The multinational corporation York International, which specializes in the production of refrigerators opened its permanent office in Moscow. The corporation has been operating for over 100 years, and its annual turnover is in excess of $500 m. The corporation is headquartered in York, Pennsylvania (USA), and operates offices in Austria, Great Britain, Germany, Holland, Spain, Italy, the United Arab Emirates, Egypt, Saudi Arabia, as well as in Latin American and Pacific Rim countries.

The corporation's exports to the Commonwealth include refrigerating chambers and other refrigeration equipment for fish-processing (Murmansk, Vladivostok, Petropavlovsk-in-Kamchatka) and meat-packing factories (St. Peters-burg). The corporation's offers to supply equipment for the milk and beer-making industries are being considered. There are favourable opportunities today for cooperation between Russia's food industry and one of the world's leaders in refrigeration equipment.

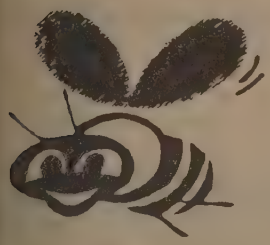
Video for all

A great wave of foreign movies, especially those from America, filled the screens of Moscow cinema halls. Over-the-ocean fairy tales are very popular in economically ailing Russia. With the creation of a low-priced VCR, along with the onset of perestroika in 1985, a new kind of business came into being and quickly spread throughout the Soviet Union. News of the notorious practice of illegal picture leasing has reached even the US producers of video pictures. But the Russian government has yet to issue a law regarding the security of authors' rights and there is no legal means to punish video-pirates. Under these conditions, the initiation of the small enterprise TaCher looks very hopeful. TaCher seeks to create an economic environment in which illegal firms will feel uncomfortable and thus go out of business. Another important goal of TaCher is to provide Russian

kids with quality cartoons, which are currently being replaced by thrillers. Such films are shown even in special cinemas for children. The General Director of TaCher, Tatiana Cheremina (her name was used to title the firm) worries about children's culture. Over the last school vacation. TaCher organized free demonstrations of cartoons created as diploma work by students of the Institute of Cinematography.

Another concern of TaCher is ecology, and, with the possible participation of BBC and the American Academy of Science, TaCher will undertake production of a type of ecological encyclopedia: ecological documentary films shall be distributed to American, British and Russian libraries.

Founders:
major Russian banks, investment companies, new commercial structures.
Authorized capital R30 m.



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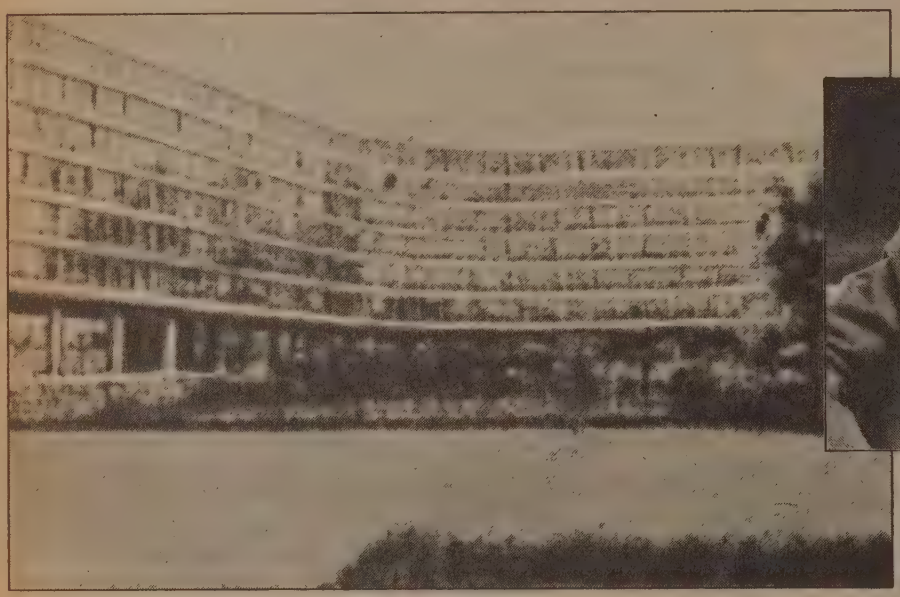
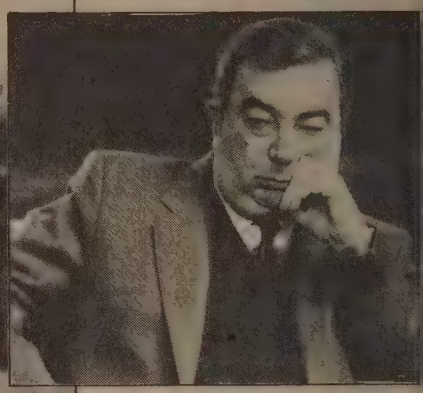
Into the forest and out of the forest

Russian intelligence service in search of its lost identity





Academician Yevgeny Primakov is already quite popular with his new colleagues

In private conversations Russian intelligence officers complain of their helplessness: the Americans have got a chance, at long last, to square accounts with them.

Our secret agents are beset with problems like a catastrophic shortage of hard currency, the reduction of the intelligence stations staff abroad, the loss of many "covers." To make the matters worse, the Americans now demand that Moscow stop all secret operations against the USA. Yeltsin finds it extremely hard to resist this pressure.

The two faces of spying

Russian intelligence service suffered a number of setbacks in Italy and Belgium recently where some of its men engaged in industrial espionage were caught in the act and arrested. The Americans fanned the incidents in an attempt to corner Yeltsin: how can you steal industrial secrets from, and recruit agents in, countries which are helping Russia these days?

As a matter of fact, Russian intelligence officers say, all countries conduct industrial espionage, this is all in a day's work; therefore, any reproaches cast upon the Russians amount to nothing but a propaganda campaign aimed at kicking the Soviet intelligence service of the playing field.

Should Russian intelligence service "shift emphasis" from Washington and Paris to Kiev and Tashkent?

Russian intelligence officers' lamentations make a strong impression on many. Whereas the Ministry of Security, the heir to the KGB, can hardly reckon on winning public sympathies, intelligence services are taken for granted and even command some respect. Society realizes that, after all, no state can do without an intelligence service.

Somehow it doesn't occur to most people that hunting for other nations' industrial and technological secrets – the most innocent kind of espionage – is an unseemly occupation. For as long as you get away with it, you are a secret agent, but once you are caught, you are branded a thief. The Americans guard their secrets even against the French and the Germans. The exposure of an Israeli agent triggered an outburst of indignation in the USA, for Israel is a close ally. Is it any wonder, therefore, that readiness to help Russia does not at all mean carte blanche for industrial espionage?

Let us look at the situation from a different angle: the failures of the Russian intelligence network in Western Europe are caused not by the local spycatchers' extra effort but by continued defections of Soviet secret agents which indicate better than anything else that the crisis in the former Soviet intelligence service has not yet been overcome.

Carte blanche

The intelligence service emerged practically intact from last year's post-August storm. The First Chief Directorate of the KGB (foreign intelligence) was immediately separated from the rest of that organization's staff, both structurally and in terms of its responsibility for the KGB's seventy-year record.

Leonid Shebarshin, Vladimir Kryuchkov's successor to the post of head of the First Chief Directorate, and several other executives, had to step down. The threat of a shutdown (a false alarm, as it turned out later) which hung over the KGB did not spread to the First Chief Directorate.

A determined Vadim Bakatin, set on securing society from the omnipotent secret police once and for all, found himself in the KGB's Lubyanka Square headquarters, and Academician Yevgeny Primakov was – surprisingly to many – appointed the head of the intelligence service, known to insiders as "The Forest."

A one-time *Pravda* correspondent in the Middle East and a one-time director of a major political research institute, he had some notion of the way secret services work. However, he lacked the administrative experience Bakatin had gained as First Secretary of the CPSU Regional Committee and as Minister of the Interior. Such experience is necessary lest subordinates try to pull the wool over the new boss' eyes and take advantage of his being new to the job.

The subordinates reacted to both appointments with ill-disguised discontent. Bakatin, who took a tough line, promptly became a "bete noire." The Russian government promptly pensioned him off, which was an enormous relief to all. He was probably not forgiven for refusing to be Yeltsin's running mate in last year's presidential election.

On the other hand, the attitude to Primakov has clearly changed for the better. Instead of imposing his presence on the staff he gave it a carte blanche which suited the men of "The Forest" fine.

Academician Primakov is familiar with the Western standards of the intelligence chief's behaviour. He misses no opportunity to tell newsmen about the sweeping reforms in "The Forest," but no radical changes in the intelligence service are in evidence so far.

The **Foreign** Intelligence Service is among the organizations authorized by the recently adopted Criminal Investigation Act to tap telephones, open private letters, put suspects under police surveillance, search flats and carry out arrests. Why?

Security Minister Victor Barannikov has already set up a large interior counterintelligence service department, its purpose being to expose "enemies in our own midst." Barannikov's men will naturally try to keep tables on Academician Primakov's agency, too. Counterintelligence officers have always been suspicious of their colleagues in the First Chief Directorate

Neither the CIA, not the German Federal Intelligence Service (BND), nor the British MI 6 are vested with such powers lest they should become hard-to-control and socially dangerous secret structures possessing unlimited rights.

If it spots a spy, the CIA asks the FBI to follow and arrest him (Germany's BND files such requests with the counterintelligence service, and Britain's MI 6, with a special department of Scotland Yard).

The KGB was all-powerful, i.e., had absolute authority over all. And now, the new Act has passed on to Russia's Foreign Intelligence Service the dangerous legacy of the KGB.

Live and let die

As Minister of Foreign Affairs, Boris Pankin made a rash promise that secret agents would no longer work under "diplomatic cover." Such an ideal situation is hardly realistic; nevertheless, many members of the diplomatic corps holding high diplomatic (as well as military) ranks pack their trunks and grudgingly leave Russian embassy buildings where still uncustomary three-colour flags wave. This is part of the foreign intelligence optimization programme.

Trade missions and other numerous offices some of which have been set up abroad expressly as legal "covers" for our secret agents are also sending their staffers home.

At the headquarters, too, personnel cuts have been carried out, some departments amalgamated, and others closed altogether. Back home, intelligence officers are offered no jobs in "The Forest" and have to seek gainful employment elsewhere – in commercial structures, for the most part. The latter readily take them on especially if they put their new employers in touch with their foreign contacts.

The personnel department of "The Forest" encourages its men to seek jobs on the side. They are not struck off the

David Barnett, an ex-CIA man, was recruited by the KGB. Such "catches" were few and far between over the last years in the Soviet intelligence service's history

active list because intelligence officers, like their opposite numbers in the army, are pensionable after twenty years of service, at a relatively early age.

Secret agents stationed abroad fight tooth and nail to have their stay abroad prolonged. Each struggles for his own survival and, at the same time, makes every effort to get rid of rivals, to have them sent packing. Under the circumstances, work is looked upon as something superfluous.

Since intelligence officers are still much in demand in the West, defections, and the resultant disclosures of spy networks, will probably continue.

Why have they defected?

Russia's intelligence service, practically unreformed, retains all the flaws of the former KGB, beginning with formalistic personnel selection.

Many young men who aspired after KGB jobs regarded the First Chief Directorate as a springboard to a lucrative position abroad. The prospect of going abroad was the main stimulus for them. Their materialism, which the famous older-generation intelligence officers were free from, is largely to blame for the failures of the past three decades.

Who went all out for admission to the KGB's exclusive institute which trained personnel for the First Chief Directorate?

First, the staffers of the KGB's provincial branches who had succeeded in convincing their bosses that they were qualified for working abroad.

Second, young Party and Komsomol activists whom the CPSU Central Committee transferred to the KGB as "reinforcements."

Third, institute and University graduates who, in personnel department clerks' opinion, had the right background. Preference was given to the offsprings of high-ranking Party and government bureaucrats and to those coming from "working-class and peasant families" who had distinguished themselves in Komsomol work.

The prospect of being recalled from abroad forever, due to someone's failure, the chief's displeasure or a rival's claim to his job has always been a nightmare for almost any First Chief Directorate officer. Those who found the prospect unbearable defected one after another.

The KGB chiefs realized that the officers selected in such a way were not to be relied upon; therefore, the so-called counterintelligence service which was supposed to guard intelligence networks from infiltration by alien agents actually spied on its own officers instead.

Counterintelligence officers were not equal to exposing double agents like Oleg Gordiyevsky, therefore they looked for potential traitors among those who wagged their tongues too much or otherwise stood out in the Soviet community.

Ours is not to reason why...

The inadequate quality of Soviet intelligence services was made up for by quantity – the quantity of banknotes, I mean. In the sixties, the influx of new agents sincerely wishing to cooperate with the world's first socialist state run dry. Members of Communist parties were no longer willing to help KGB men free of charge. Secrets had to be paid for.

The centre urged its foreign posts to recruit as much "local help" as it could. The more recruits a secret agent gained, the more efficient he was considered to be.

Members of foreign missions in Moscow were bribed or blackmailed into cooperation, lured into "honey traps" where ladies of easy virtue, ready to serve their country, took care of them.

Another inherent flaw of Soviet intelligence service was its militarized character. The officers of the First Chief Directorate wore no military uniforms but military discipline demanded implicit obedience to the superiors' orders. This prevented intelligence service from fulfilling its chief mission: supplying the nation's political leadership with objective and comprehensive information about what was going on in the world.

The Soviet military's favourite phrase, "Orders are not to be discussed," became a motto of the First Chief Directorate; therefore, many heads of intelligence stations sent back to the centre the kind of messages it wanted to get. If an officer disagreed with his superior's opinion, he had no way of letting Moscow know about it.

If an intelligence station chief did not want to "trim his sails to the wind," it didn't help matters much. As it went up the Directorate's long hierarchal ladder, information about the real state of affairs became distorted. Intelligence dispatches were not supposed to differ from the picture of the world as the Politburo imagined it.

The major failures of Soviet foreign

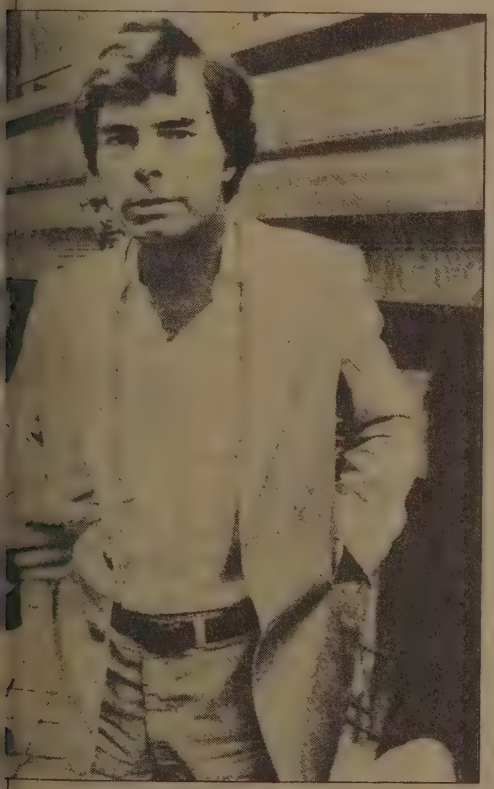
The sensational exposures made by the Senate Committee headed by Frank Church and confessions by ex-CIA man Philip Agee (right photo) who, in his two books, revealed all he knew about Langley, actually benefitted the CIA. A new intelligence concept was worked out towards the end of the seventies, and the danger of the CIA damaging its own country was minimized

policy – Afghanistan, for example – were largely due to that vicious practice of the KGB's First Chief Directorate.

Analysis or clandestine operations?

As a matter of fact, the Politburo regarded intelligence service not only, and not so much, as a source of information, but as a unique instrument of politics, mighty and imperceptible.

The argument over what intelligence services were supposed to do – analyze the situation or try to change it – went on in the world throughout the post-war decades. The US Central Intelligence Agency – the KGB's main opponent – was used by American presidents even in semi-military operations.



Photos from U.S. News and World Report (USA) and Der Spiegel (Germany)

In the seventies, Washington came to realize that such attempts at changing the situation were almost always counterproductive. Years of discussions in Congress and in the press culminated in that conclusion. The CIA's functions were changed radically and, at the same time, intelligence service was placed under efficient control. Similar discussions about the functions of the Russian intelligence service are yet to be held.

The main problem the Russian Federation's Foreign Intelligence Service is faced with is neither the shortage of funds, nor American pressure, but the absence of a precisely worded national intelligence policy.

"The Forest" takes a different view: "we are not to blame, we are waiting for decisions by the country's political leadership."

This is not quite true: intelligence service is an instrument of politics, and the Yeltsin administration's foreign policy strategy is known well enough. It demands that the intelligence service should change its priorities, above all.

For seventy years, the Soviet foreign intelligence service waged a war on imperialism at all fronts. That meant a massive penetration of secret agents into all countries and an all-out effort to unravel all secrets, at all costs. New Russia has cut this mission short. But is the huge army of the former First Chief Directorate prepared to accept a new one?

Being soldiers, they are obliged to fulfill any order, but won't intrinsic resistance to change prevent them from working in a new way? Are all the KGB officers of 15 or 20 years' standing capable of discarding their old "ideological principles"? Can they wake up to a new political reality and fall out of the habit of regarding the USA, Germany and Japan as the arch enemies of Russia?

The government needs accurate and trustworthy information on which to base its foreign and military policy. But where are the sore points of the Russian policy?

It's ridiculous to look for them in America or Western Europe. "The Forest" needn't be sorry about the loss of the "fraternal" intelligence services which helped the First Chief Directorate as part of the "socialist division of labour" – I mean, above all, the East German Stasi which had larded the FRG and NATO with its secret agents.

The problem of loyalty

The normal development of Russia depends on what happens in the former Soviet republics, in what used to be, until recently, the socialist countries, and in the Middle East. The positions of Russian intelligence service in all those regions are weak. The KGB's First Chief Directorate concentrated on the Western industrialized countries. To shift this emphasis is as hard and as costly as to transfer an army from one front to another.

Foreign Minister Andrei Kozyrev is now enlisting the services of experienced diplomats in adjusting Russia's relations with its neighbours in the Commonwealth of Independent States – he has instructed the former Ambassador to the US, for example, to come to an understanding with Moldova; in the same way, our intelligence officers now packing their trunks in Paris, Bonn or Tokyo might proceed straight to Kiev, Tashkent and Baku, by-passing Moscow.

Intelligence agents have no friends. Even in the socialist camp, comrades kept a wary eye on one another. On the whole, however, the KGB men who worked in socialist countries had the latters' contacts with the West under control. Now those agents could give a penetrating analysis to the complicated processes under way in Eastern Europe.

In the former republics of the USSR intelligence networks are being set up anew. Moscow cannot rely on the personnel of the republics' state security committees: as likely as not, those men will rather work against Russia.

The breakup of the USSR has created the problem of loyalty in the intelligence service: what line will the natives of the now independent republics take? Will they remain loyal to Russia or prefer to join their republics' intelligence bodies now in the formative stage? When will they make up their minds – now, or upon being initiated into the secrets of Russia's new intelligence service?

Russia's Ministry of Security fears lest the former officers of the central and Moscow KGB headquarters should, back in their home republics, try to re-recruit their old agents – people they have talked or forced into cooperating with the KGB once.

Won't they try to blackmail those people, demanding their continued cooperation, under the threat of exposing their connection with the KGB (which they'd rather keep mum about under the present circumstances)? Those agents might include some high-placed and influential citizens of Russia.

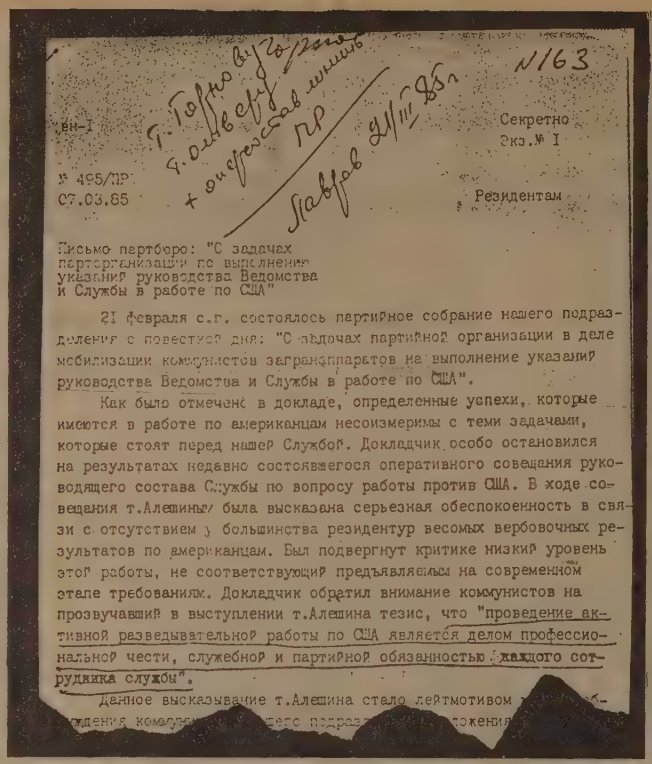
Russia's counterintelligence service is

haunted by the spectre of a mighty Ukrainian intelligence service which will try to enlist cooperation and moral support among the Russian citizens of Ukrainian descent.

The Russian intelligence service won't be found wanting, either. It should only take care to avoid overdoing it in recruiting the Russians eager to be useful to their home country. Otherwise, the new states which have emerged after the disintegration of the USSR will be wary towards the Russian communities and regard every Russian as a potential agent of the Russian Federation's Foreign Intelligence Service.

Security Minister Victor Barannikov has already set up a large interior counterintelligence division whose job it is to expose "enemies in our own midst." His men will naturally try to keep tables on Academician Primakov's department, too.

Even when intelligence and counterintelligence services worked under the same (KGB) roof, there was no love between them. The former looked down their noses on the latter, and the latter doubted the loyalty of the former.



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Резидентам

Письмо партборо: "О задачах парторганизации по выполнению указаний руководства Ведомства и Службы в работе по США"

21 февраля с.г. состоялось партийное собрание нашего подразделения с повесткой дня: "О задачах партийной организации в деле мобилизации коммунистов загранаппаратов на выполнение указаний руководства Ведомства и Службы в работе по США".

Как было отмечено в докладе, определенные успехи, которые имеются в работе по американцам несоизмеримы с теми задачами, которые стоят перед нашей Службой. Докладчик особо остановился на результатах недавно состоявшегося оперативного совещания руководящего состава Службы по вопросу работы против США. В ходе совещания т.Алешины была высказана серьезная обеспокоенность в связи с отсутствием у большинства резидентур весомых вербовочных результатов по американцам. Был подвергнут критике низкий уровень этой работы, не соответствующий предъявляемым на современном этапе требованиям. Докладчик обратил внимание коммунистов на прозвучавший в выступлении т.Алешина тезис, что "проведение активной разведывательной работы по США является делом профессиональной чести, служебной и партийной обязанностью каждого сотрудника службы".

Данное высказывание т.Алешина стало лейтмотивом

A photo copy of a secret letter circulated to the heads of all the foreign intelligence stations in March 1985. The KGB leadership reminded its secret agents abroad that the US remained the main target of Soviet intelligence service. Moscow was displeased by too few Americans having been recruited

(From the dossier of Oleg Gordiyevsky, a former Soviet secret agent in Britain)

Counterintelligence officers proceeded from the assumption that anyone going abroad or mingling with foreigners can be recruited and, therefore, were extremely suspicious of the comrades from the First Chief Directorate. Intelligence officers knew this.

Adding to this mutual dislike today will be natural rivalry between the two services for budget allocations and for influence upon the President.

Calm yourself down and calm down your neighbour

Now it is obvious to all that parliament should keep intelligence service under tight control. Financial control is the surest way of keeping it in check. The parliamentary security committee which enlists the services of reliable and independent experts should satisfy itself that every item on the intelligence service's budget really serves a useful purpose. To refuse financing dangerous and useless actions is in the interests of the nation's security.

Ruslan Khasbulatov instructed the Defence and Security Committee of the Supreme Soviet to exercise control over the main lines of intelligence service's activity, its personnel policy, its budget, and to see to it that "security and foreign intelligence bodies abide by human rights and legality." This summer, the Supreme Soviet will examine, behind closed doors, the work of the foreign intelligence service and of the Ministry of Security.

The parliamentary Security Committee is still to become one of the most important ones in the Russian White House. We ought to follow the example of the US Congress and include in that Committee the MPs who are frankly opposed to the foreign intelligence service. These MPs will never swallow assurances to the effect that this or that action is crucial to the nation's security or too secret to ask any questions about...

Indeed, many questions related to intelligence service have arisen today. To begin with, the government and parliament should decide what kind of intelligence service new Russia needs.

They should look into new concepts of national security which require reasonable sufficiency not only for the army but for intelligence service as well. The approach to the problem of openness has changed, too.

An efficient intelligence service which furnishes accurate information about potential enemies is a key element of the national security system. If I know that a neighbour is not going to attack me, I feel at ease. It is no less important to assure the neighbour that he needn't beware of me, as well. Over-secretiveness and morbid reticence arouse suspicions and, in the final count, do damage to national security.

Why intelligence officers love Japan so much

The experience gained by a prosperous state like Japan is worth drawing upon. It has become a great attraction not only for tourists but for intelligence agents as well. They can work there without fear of exposure: the Japanese criminal code has no espionage clause.

A retired general of Self-Defence Forces and two officers on the active list were arrested in Tokyo a few years ago. In court, they were found guilty of committing espionage for the USSR. The general was sentenced to one year, and the officers, to eight months in jail – just a token punishment by Russian standards: espionage carries capital punishment under Article 64 of the Russian Criminal Code.

The Japanese proceed from the assumption that there are practically no secrets the guarding of which would merit the establishment of an extremely costly and politically dangerous counterintelligence system. The only small exceptions, which cost the Japanese taxpayer nothing, are American military secrets and new industrial technologies. The former are guarded by the American military stationed on the Japanese Isles, and the latter – by private businesses.

Japanese intelligence service – a research bureau under the Council of Ministers – has a small budget and employs a staff of about 150. Whatever the government wants to know the bureau finds out not through espionage but through a thorough analysis of a huge amount of information found in newspapers, magazines, embassy messages and scientific papers.

The Japanese model is hardly to the Soviet intelligence officers' liking. For their part, Japanese intelligence officers envied the scale on which the CIA and the KGB worked. They did not have the final say, though. The creation of a model for a Russian intelligence service similarly should not be the final say solely of the officers of the former First Chief Directorate of the KGB.

Leonid Mlechin

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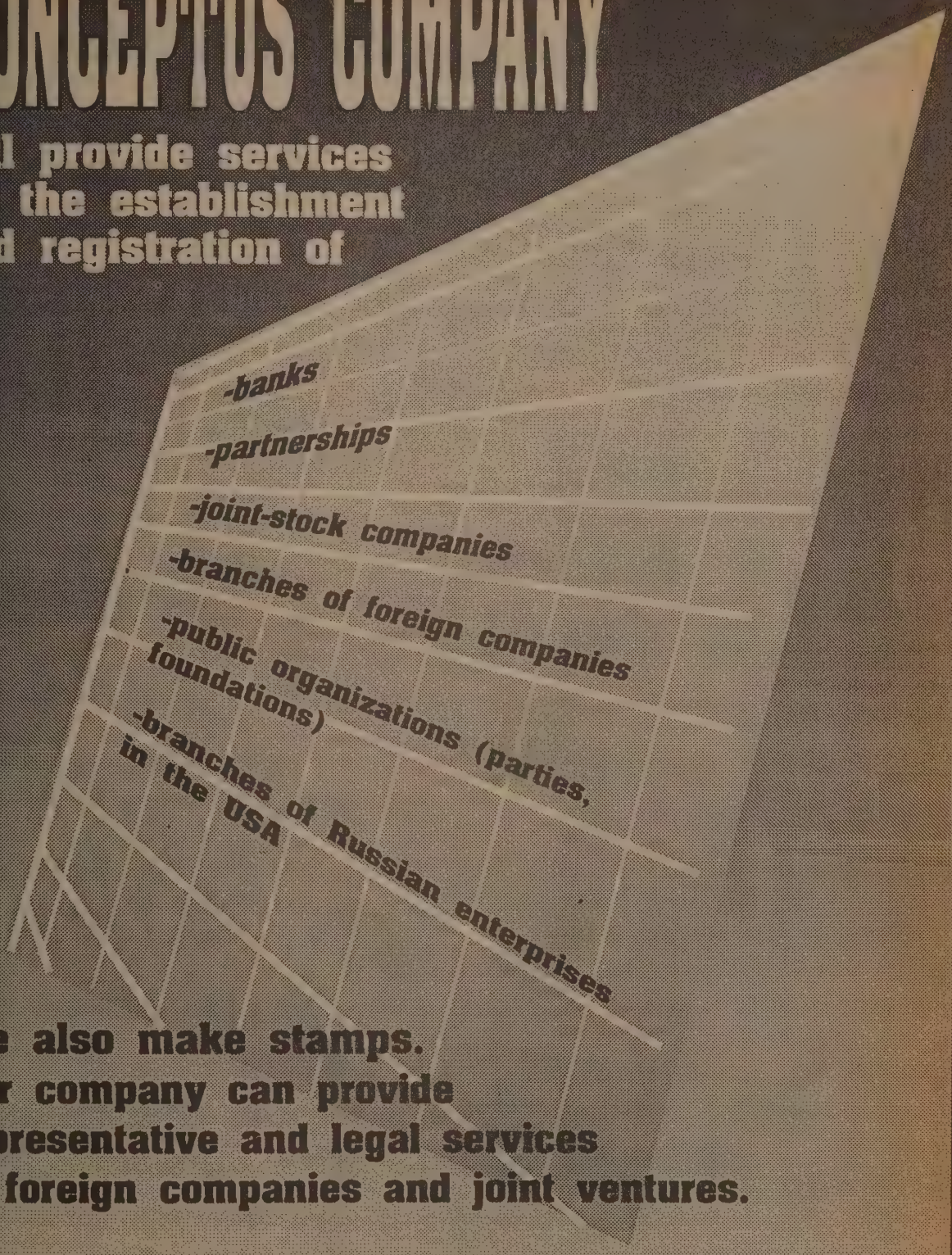

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Reforms and counterreforms

Judicial reforms are not carried out just for the fun of it. The great judicial reform of the 19th century was preceded by Russia's defeat in the Crimean War.

Following a lengthy period of preparations, the Tsar finally affixed his signature on September 29, 1862, to The Basic Provisions for the Reformation of the Russian Judiciary – what we now call a concept. An earlier decree, issued on June 8, 1860, had separated investigation service from police and put the Instructions to Criminal Investigators into effect.

Is police always against?

On November 20, 1864, the four fundamental codes of the reform – the structure of the judiciary, the criminal legal procedure regulations, the civil legal procedure regulations, statute of punishments administered by justices of the peace – were submitted to Alexander II for endorsement. "So be it," the Emperor wrote on each of the documents, giving Russia legislation which was up to the world standard of legal science.

The reform was welcomed by all the sections of the public, except high-ranking police, gendarmery and court officers who never put up with change. Finally, their time came, too.

A rise of the revolutionary movement triggered a counterreform. It had its start on May 19, 1871, when The Statutory Procedure to be Followed by Gendarme Officers in Investigating Crimes was adopted. The Procedure made the investigation of political crimes a responsibility of the gendarmery which was granted the authority to send suspects into exile if there wasn't enough evidence to put them on trial. Later, cases of anti-government actions or encroachements on office holders were made not liable to trial by jury.

So, the reform of 1864 and the beginning of the counterreform were seven years apart.

Under Alexander II, a judicial reform kept alive for seven years. In our time, it may die at birth

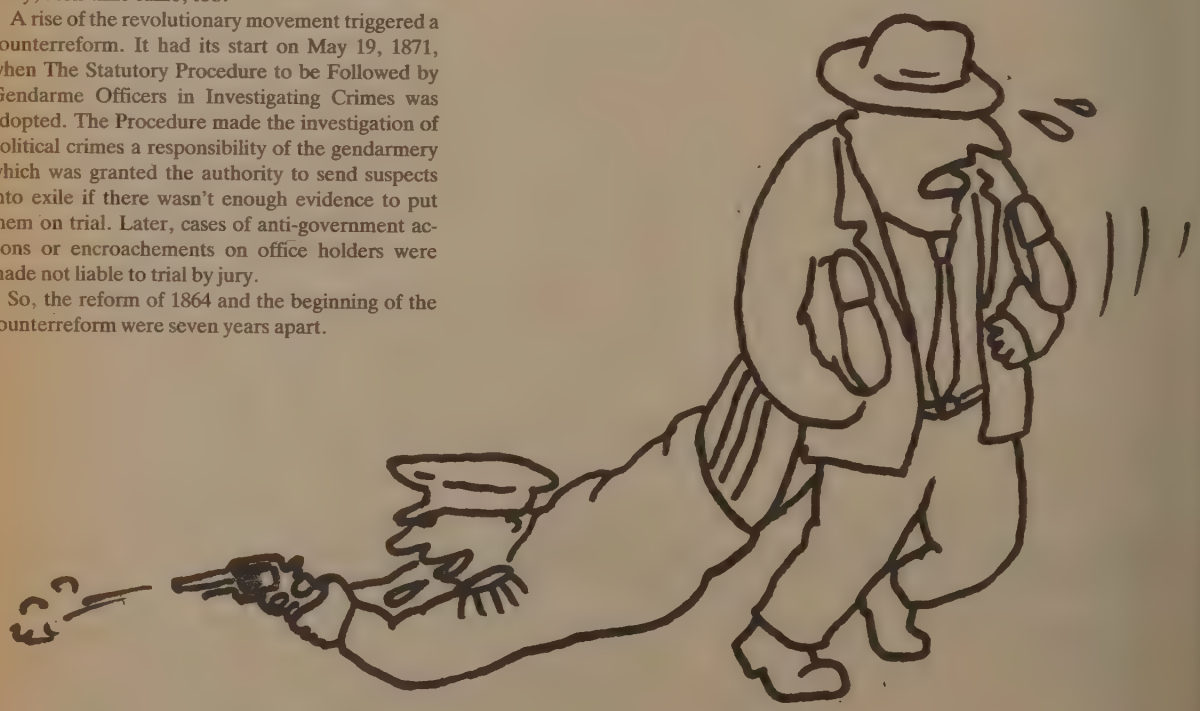
The paradox of the present situation is that a counterreform has preceded the implementation of the judicial reform concept.

The idea of setting up a unified investigation body organizationally separated from the Interior Ministry, the KGB and the Public Prosecutor's Office was embodied, a few years ago, in a bill prepared by a group of experts on the instructions of the Presidium of the USSR Supreme Soviet.

The bill was blocked, however, by Interior Minister Pugo and KGB Chairman Kryuchkov. Preliminary investigation is not only a prelude to a court trial but also a test on the quality of crime detection – hitherto an exclusive realm of the Interior Ministry and the KGB. An independent investigator has authority over a detective. The KGB and the Interior Ministry will never forgo their power of their own free will.

After the last year's abortive coup, Russian parliament's legislative committees drew up a set of independent criminal investigation bills. The bills were never enacted. Nevertheless, an investigation committee did emerge. What was it like?

The Interior Ministry's Investigation Directorate was renamed the Investigation Committee. Inves-



On October 24, 1991, the Supreme Soviet approved the concept of judicial reform suggested by President Yeltsin. It provided for:

– the creation of a unified investigation body, ıdependent and organizationally separated 'om the Interior Ministry, State Security and ıe Public Prosecutor's Office;

– placing the measures of legal coersion – etention, arrests and searches – under the ontrol of the court;

– guarantees of the right of every person ac- used of a serious crime to his/her case being ied by a court of jury, i.e., a group of citizens ıdependent from state functionaries;

– the recognition, as the most important as- ect of the Public Prosecutor's Office activities, f criminal persecution, exposure of criminals nd legal control over the procedure of investi- ation connected with it, coupled with minimiz- ıg of "general supervision";

– development of the Bar independent from ıe Court, the Public Prosecutor's Office, from ıe bodies of investigation and justice, and apable of providing legal assistance to the de- ndant and other persons at all stages of a riminal trial.

tigators, however, remain on the staff of the Interior Ministry, of its regional branches and its district departments subordinated to police. So it all amounted to a change of signboards.

The Public Prosecutor's Office: snowed under

Those opposed to reform are responsible for certain provisions of the Public Procurator's Office Act of the Russian Federation of January 17, 1992. Its adoption was preceded by a check on the Procurator General's Office by a parliamentary commission. Nevertheless, the Act was adopted before the findings of the commission were discussed, and with no account taken of the PGO's organic defects the check had revealed.

Contrary to the judicial reform concepts, the Act is quite vague about supervision over investigation and relegates public prosecution as such to the background. It gives precedence to the good old "general supervision," its modernized definition being as follows: "Supervision over the observance of laws by local representative bodies, by executive, administrative and control bodies, by legal entities, public associations, office bearers, and also over the conformity to law of the authoritative decisions they issue." This is an ambitious goal, indeed, but hardly a feasible one.

There is no telling how many "office bearers" there are in our country – from a shift foreman to a minister, from a company sergeant-major to an army general. All one can say is that their number runs into millions. Miltiply it by the number of their orders, instructions, directives and other "authoritative decisions," and you will get an astronomical figure. As to the public prosecutors, their deputies and their aides, their exact number is known: Russia has 22,000 of them. So even if they forget all about investigation, legal procedure, prisons and suchlike things, they won't cope all the same. In 1991, the Procurator-General ordered to check the decisions of the local Soviets for their conformity to the Constitution and other laws; to ensure supervision over the observance of the referendum laws, of the resolution on extra powers for the President, of the press, export, and agriculture acts. A total of over 100,000 such checks were carried out last year. As he reported on their results, Valentin Stepankov self-critically admitted that many of them had aborted.

B.Kondrashov, Deputy Chairman of the Law and Order and Anti-Crime Committee, who introduced the bill, gave the following reason in favour of keeping general supervision: "Will the organizations discharging different control functions – such as the state fire, tax and sanitary inspectorates – be equal to that? No, they won't, because they are now in the formative stage and need close supervision themselves."

The way I see it, problems of fire safety, taxation and sanitation should be rather attended to by firemen, revenue inspectors and doctors than by procurators. Attempts to make them omnipresent are doomed to failure and will only distract them from doing what no one else can do – supervision over the legal procedure and criminal prosecution in court.

Supervision over the legal procedure means that the public prosecutor is responsible for the legality and quality of investigation and sets time limits to it, while investigators and law-enforcement officers are to fulfil his legitimate demands and instructions.

Judging by the minutes of the fourth session of the Supreme Soviet, the Law, as it is, was adopted under strong pressure from Procurator-General Stepankov, his deputy S.Kekhlerov and B.Kondrashov, an executive official of the Interior Ministry's investigation department.

As if just in passing, the Supreme Soviet gave the Procurator-General the right to keep those under preliminary investigation in custody for up to 18 months – thrice the term provided for by the law still in force (Article 97, the Criminal and Judicial Code of the Russian Federation).

Eighteen months of detention pending trial can make even a healthy man a wreck of his former self. Let alone the fact that the man hasn't been found guilty and not even tried yet.

It is on record that two or, at most, six months are quite enough to verify the evidence available as of the day of arrest. Longer detentions are explained, more often than not, by a lack of grounds for sending the case to court; the investigator hopes that the detainee will "break down and own up."

Nevertheless, this resolution of the Supreme Soviet was adopted by a majority of 178 votes to one. The one who voted against it had probably recalled another resolution adopted by the same Supreme Soviet – on the judicial reform concept which emphasized the need for protecting basic human rights and freedoms as well as the citizens' constitutional rights in court.

Security and state security

On March 5, 1992, the Supreme Soviet adopted the Security Act – almost on the sly, without a preliminary public discussion. The Act treats of security in an extremely loose way.

We have been long got accustomed to identifying the term "state security" with the prevention and investigation of state

(political) and some other serious crimes. Now the Law of March 5, 1992, defines state security most loosely as "protection of the vital interests of the individual, society and the state from internal and external threats." Thus, the penetration in all the spheres of public life of the former state security agencies (now re-named security bodies) has been legalized.

After a while, on March 13, 1992, parliament passed – also without undue publicity – the Crime Detection Act of the Russian Federation. Crime detection was made a responsibility of the Interior and Security Ministries, above all.

The judicial reform concept proceeds from the premise that citizens' rights, their guarantees and limits, should be clearly defined by laws adopted by parliament and promulgated nation-wide.

Under the law adopted on March 13, 1992, the organization and tactics of criminal detection – i.e. of what poses an immediate threat to civil rights and freedoms – are to be worked out by the very agencies in charge of this activity. This means that criminal detection will be veiled in secrecy, as ever, and immune to expert criticism.

In accordance with the same Law, crime detection is to consist in: the questioning of witnesses, inspection of articles and documents, making identifications, inspection of premises, buildings, locations, and transport vehicles, letter opening, wire tapping, etc.

This sounds much like ordinary searches and interrogations only renamed "inspections and questions." There is a difference, though, and quite a substantial one.

Investigation should begin only after a case has been opened, i.e., after a cime has been committed. In each particular case, the investigator elxplains to those whose cooperation he has enlisted what their rights and duties are. Searches should be made in the presence of witnesses and the tenants of the apartment in question who should be served with a copy of the search warrant. Nevertheless, the Law of March 13, 1992, makes the investigator free to take these measures even in cases when "there is no *corpus delicti,*" i.e., at his own discretion and without any special procedures.

For instance, the "inspection" of an apartment differs from the good old "search" in that it can be done in the tenant's absence and without a warrant. This gives the investigator ample chance to plant evidence on a suspect.

Letter opening and wire tapping merit special comment.

The Act makes a reservation to the effect that these measures "are permissible only with regard to persons who are either planning, or have committed a serious crime." But consider this: those proved guilty of serious crimes are usually kept in custody in places where there are neither personal telephones, nor private mailboxes. Consequently, the Act applies to those who haven't done anything to warrant indictment or detention but who, nevertheless, have been marked down by police as potential criminals. This can happen to me, to you, to anyone.

The benefits of letter-opening

Letter-opening is nothing new in Russia. After the assassination of Alexander II his successor to the throne authorized the Minister of the Interior, by a special decree, "to open private letters extrajudicially if this is called for by the supreme interests of state security." The decree, inscribed Top Secret, was kept in a sealed envelope by an executive invested with special powers. A newly appointed Minister of the Interior opened the envelope upon assuming office, read the Emperor's Decree, then sealed it up again and locked it in his strong-box. The power-that-were probably realized that letter-opening, for all its usefulness, was a disreputable practice to be kept out of the public eye.

Nowadays people make more telephone calls than they write letters. If someone who has attracted the attention of "law enforcing agencies" lives in a shared apartment, then telephone conversations of all his neighbours – and of all his colleagues, if his office telephone is tapped – will be listened in on. What's more, once he has got access to a telephone exchange, a police inspector can listen in on any conversation. Who is going to prevent him?

The legislators who drafted the Act of March 13, 1992, tried to move the public to tears by stories about how wire-tapping had helped to track down extortionist kidnappers. In the rest of the world, this is done differently: police can listen in on, and tape-record any telephone conversation without an official warrant only if asked to do so by one of the parties to the conversation. The makers of the Act in question have legalized unasked wire-tapping.

How come that our MPs have overlooked the fact that the Constitution guarantees citizens inviolability of their homes, protection of their privacy, including the privacy of their correspondence, of their telephone conversations and telegraph messages (Articles 53, 54) and that, therefore, the Act of March 13, 1992, which authorizes "inspection of premises," letter-opening, "listening in on telephone and other conversations" is **unconstitutional.** Article 135 of Russia's Criminal Code qualifies the violation of the privacy of correspondence, telephone conversations and telegraph messages as criminal violation of human rights punishable by law. The Act of March 13, however, describes these measures as routine detective work.

Compromise is not the best solution

The implementation of the judicial reform concept has called for certain amendments and additions to the Constitution of the Russian Federation. The discussion of a bill concerning these amendments and additions furnished a pretext for new anti-reform actions. The selfsame Procurator-General V.Stepankov, his Deputy S.Kekhlerov, B.Kondrashov of the Interior Ministry and Procurator V.Tuikov of the Yekaterinburg Region suggested amendments which cancel a number of cardinal provisions of the concept. For example, they opposed a new version of Article 38 of the Constitution which legalizes capital punishment for heinous crimes against humanity, to be administered only if a death verdict is brought in by the jury. It is much more convenient and less timeconsuming, of course, to pass verdicts without the jury, but we know only too well that fast verdicts of guilty have often turned out to be miscarriages of justice.

The court's supervision over the legality of arrests, searches and other coercive measures (Articles 39-41) have also proved not to these deputies' liking. They protested "in chorus" against the appointment by the Supreme Soviet of a parliamentary human rights commissioner (Article 67[4]). The Congress ruled that the new articles of the Constitution demanding court warrants for detentions, searches and personal immunity restrictions shall take effect right after "the organizational and technical conditions have been provided for the adoption of relevant legislative acts."

What are these "organizational and technical conditions"? When will they be provided? What are the "relevant legislative acts" and how long will they be in coming? Is the Constitution an "irrelevant" act? These are difficult questions. But one thing is clear – the judicial reform is spinning its wheels. Another impulse is required to impart due dynamism to it. Shall we ever live in a law-governed civilized society?

Alexander Larin,
D. Sc. (Law)

Drawings by Marat Tairov

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"We can cure over a dozen diseases, enhance the functions of an intellect, and carry out psychocorrection of a person and do all kinds of tests," says **Vladimir Zazykin,** 45, director of Russia's first privately-run research institute.

Some 25 years ago Vladimir studied at the Polytechnical Institute in Moscow and was to receive the diploma of a mechanical engineer in the designing of space equipment. At that time he was also a member of an experimental group which studied the human aspect of "star wars." The theme was "closed" soon. However, psychology, which Vladimir only began to study, allured him so much that, having worked at his chair for several years, he went to work as an engineer in the Academy of Sciences' Institute of Psychology. Ten years later Zazykin left the institute in the capacity of a laboratory head. By that time he had a scientific degree, his own pupils and about 100 published works. Vladimir became one of those who began work in the "psychologization" of the State Television and Radio Committee. Later, he headed the committee's sociology service.

Two years ago Vladimir got acquainted with healer Anatoly Gritsenko. As a result of their cooperation they set up an original, as evidenced by its name, research institute for restoring man's reserve potentialities.

The range of Vladimir's professional interests is very broad – the psychology of image in politics, marketing and advertising, and man's behaviour in extreme conditions. For a man who takes interest in various fields, Vladimir surprisingly has but one hobby. He has a passion for ballet. He is on friendly terms with many ballet dancers, helps them to find sponsors and solve problems. Zazykin has examined the individual features of ballet dancers and is now writing a book of "recipes" for those who are eager to become a ballet star.

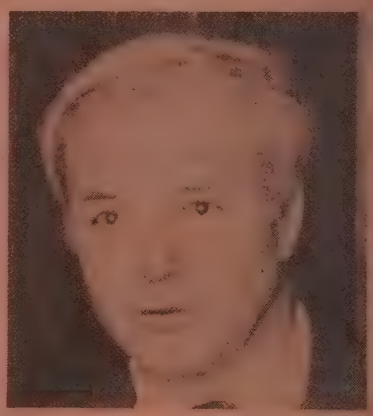
* * *

"Most women practise witchcraft." Such a conclusion was drawn by **Rabbi Symcha Fishbaine** after

he had studied the Babylonian Talmud. Such was also the title of his paper at a scientific conference of the American Academy of Religion held in November 1990. Of the long list of scientific works written by Prof. Fishbaine, a specialist in the sociology of religion and Judaism, it is the most accessible to the non-experts as are the vast majority of non-religious Jews living in Russia.

Symcha Fishbaine was born in Canada, to which many Polish Jews, including his grandparents, moved shortly before the First World War. He received a higher education in New York. In 1971 Symcha interrupted his academic career and went to Israel, where he served as an army chaplain for 12 years and was promoted to the rank of colonel.

"An eternal dissident" again in the opposition



All people in the Chechen Republic know that **Shepa Gadayev** does not take bribes. A former Leningrad judge, a former Chechen lawyer, and former leader of the Achkhoi-Martanovsk District in the former Chechen-Ingush Autonomous Republic, Gadayev is today a member of the Chechen parliament. An "eternal dissident" Shepa upheld his right not to take or give bribes under any regime, in any post and under any circumstances. He defended this right in a desperate struggle during which he received a severe reprimand from his party organization, was then placed in a mental home and expelled from the party in the late eighties. Incidentally, in 1990 Gadayev was restored in his party membership for a short time. This was accomplished by force: the mass rally in his native district lasted for several days and ended in Shepa, then expelled from the party, being elected by the people the First Secretary of the district Party Committee.

Later, Shepa gave up his post of First Secretary. He was elected Chairman of the district Soviet and thought it was immoral to hold two posts simultaneously. Shepa called on his colleagues, including Doka Zavgayev, then First Secretary of the regional Party Committee and Supreme Soviet Chairman, to follow his example. But no one did that, and Shepa fell into disgrace again. However, the times have changed and, in spite of any pressure, he was elected first a member of the Chechen Supreme Soviet, headed by Zavgayev, and then of the Supreme Soviet led by General Dudayev.

Shepa has adopted a restrained attitude to the present regime. He fully supports Dudayev's policy of achieving independence for the Chechen Republic. However, he adds that "as soon as Russia recognizes us we shall begin negotiations and conclude a normal federal treaty with it on an equal basis." Gadayev is convinced that there are no real points of contention between Russia and the Chechen Republic but only mutual misunderstanding: "I tell the members of parliament: let me go to Moscow. I shall meet with Khasbulatov (Chairman of the Russian parliament) and Yeltsin and explain everything to them. But they do not let me go."

Shepa condemns "Bolshevism" with which, he thinks, many republican leaders are infected. He advocates a quick and radical economic reform and an immediate privatization of land. "We should not hunt for nonexistent witches and should not look for enemies in Moscow. All who live in the Chechen Republic must unite for the solution of economic problems as the first order of business," he says. In his opinion it is the only way of saving the nation. So Shepa Gadayev is in the opposition again. Every morning he goes to Grozny, capital of the Republic, from his Achkhoi-Martanovsk District by hitchhiking.

In the early 1980s Fishbaine returned to civilian work. He was awarded a doctor's degree, and now teaches and does scientifric work at universities of Israel and Canada.

Last October, Prof. Fishbaine arrived in Russia to help his "Russian brothers" revive the lost national culture. He became head of a Moscow college, a branch of the Touro University in New York. At the university students receive specialities unique for this country, namely, Judaica, Jewish pedagogics, and Hebrew.

"We have students of two types," Prof. Fishbaine says. "Some are going to emigrate to Israel and want to adapt themselves to the new environment more easily. Others want to live where they were born, but to know their national culture, language and religion. We insistently ask both to work for some time in their new speciality in Russia."

* * *

The wife of **Peter Fischer** is always worried when he goes away for a long time. Recently she was worried a little more than usual. Her husband, Economics Minister of Lower Saxony (Germany) was going to a "risk zone" – to the Tyumen Region in Russia. True, Fischer was not alone. He headed a delegation of 70 businessmen and experts.

"Germans know that the reunification of their country was possible only thanks to changes which took place in your country," Fischer said at a meeting with journalists in the Moscow press club. "Many politicians, in my Social Democratic Party in particular, remember how much grief was caused by Germans during the Second World War. Today there is a real opportunity to turn over this black page of history and open a new page. Our postwar experience, during which we had to build a new state, might prove useful too."

Peter Fischer's passion for the

new project in the "risk zone" is shared, despite fears, by his wife. His 17-year-old son is going to come to the city of Ivanovo for a month this summer. "There are many girls there," Peter Fischer said with a smile. "Perhaps it will do him good."

* * *

Leaving the Soviet Union 20 years ago, musicologist **Alexei Golovin** did not expect that in the early 1990s he would give concerts in Moscow's best halls as a pianist. A wonderful metamorphosis took place in Geneva where he settled after marrying a granddaughter of the famous Swiss actor Michel Simon. By that time Golovin had completed five years of study at the Moscow Conservatory. But he received no diploma because he simply did not have time to do his dip-

loma work. While studying at the conservatory, Golovin worked at the radio, preparing musical programmes. Perhaps he did his job well because at the age of 26, by the time he went abroad, Alexei held the post of a senior editor, though he did not have a diploma. In Switzerland, a musicologist who had no diploma and did not know the language could only hope to receive the job of a piano teacher (the piano was the only instrument he had mastered well). He received such a job, first at the people's conservatory and then at the grand, Geneva Conservatory, of which he is a professor to this day.

Golovin was over 30 when, continuing to teach, he graduated from the Geneva Conservatory as a pianist. He took part in several international competitions and became a prizewinner at two of them. Then he began to give concerts in Europe, America and, at last, in Russia.

Alexei has subscribed to many Russian periodicals and likes cooking. He does it well "thanks" to his wife, who hated this occupation. "I had to cook myself in order to survive," Golovin says with a smile. He is inclined to lead a sybaritic life and is convinced that for a musician it is much more important to live, communicate with others, observe things and feel than to sit at the piano for six to eight hours a day.

Maestro is accused

A scandal has erupted in Latvia's theatrical world. The Association of Theatrical Producers accused **Raimonds Pauls,** Latvian Minister of Culture of insulting the honour and dignity of noted producer Adolf Shapiro, President of the International Association of Theatres for Children and the Youth and leader of the famous Youth Theatre of Latvia. Pauls signed an order on reorganizing the theatre. Many cultural figures think that it virtually means the closing of this theatre. The bulding was turned over to the Union of Baptist Communities of Latvia, and the theatrical company was left without a stage. True, several clubs were offered. But in the opinion of Shapiro none of them is suitable for his theatre.

A People's Artist of the USSR, winner of the State Prize of Latvia and of the Leninist Komsomol Prize, Raimonds Pauls was appointed Minister of Culture almost three years ago. It is not a long record for an official. Nevertheless, precisely this experience evidently allowed the Minister to accuse the Youth Theatre of unsatisfactory creative work. It will be recalled that the theatre won a gold prize at an all-European competition in Rome last year and will represent Latvia at the prestigious Baltic Spring festival.

The examples of Nikolai Gubenko, former Culture Minister of the former USSR, and now Raimonds Pauls show that an official post is dangerous for a creative personality.

A man shrouded in mystery

Subhas Chandra Bose perished in an airplane crash – so goes the official version. But opponents say that Bose dropped out of sight in Soviet concentration camps. The secret has been kept in the dark to this day

There's no more complex and contradictory political figure in the recent history of India than Subhas Chandra Bose. In his youth he was a comrade in arms to the founders of contemporary India – Mahatma Gandhi and Jawaharlal Nehru. But their ways parted: from being comrades in the fight against colonialism, they turned into irreconcilable enemies. "We must sail in different boats," the great teacher Mahatma Gandhi said about Bose.

Subhas Chandra Bose headed the biggest party in the country – the Indian National Congress. But near the end of his life he almost found himself outside the INC.

In the 1930s, Bose – the leader of the Congress' left faction – sympathized with the Communists. During World War II he shifted to the side of Nazi Germany, supposedly in order to free his country from the yoke of the British crown. He created an "Indian Legion" in Germany that was to free India with the help of the Third Reich.

The commander-in-chief of the Indian National Army, Subhas Chandra Bose was positive that only his troops would march on India and that a powerful anti-British uprising would take place. But he gravely miscalculated. The head of the "Provisional Government of Free India" didn't live to see independence from the British crown. His life was a mystery, and his death was a mystery too.

What happened to the "respected leader"?

According to the official version, Subhas Chandra Bose perished in an airplane crash in August 1945. But almost a half century later, Indians still don't believe that version. Many think that Bose died in one of Stalin-Beria's camps. They have bombarded high Indian and Soviet governmental bodies with requests to re-examine the "Bose case." In 1973, during Leonid Brezhnev's visit to Delhi, one of the leaders of the Socialist Party of India (SPI), Samar Guha personally handed the general secretary of the CC of the CPSU a three-page memorandum which stated doubts about the reason given for Bose's death and requested the Indian side be informed by the "competent" Soviet bodies if their "respected leader" Bose had possibly been in the USSR. Samar Guha didn't receive any official answer to his inquiry.

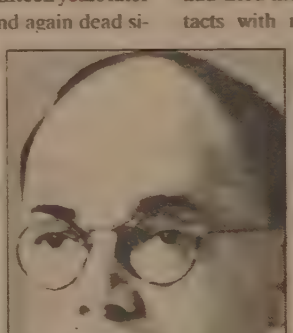
A very similar memorandum was sent by the leader of the SPI some fifteen years later to Mikhail Gorbachev. And again dead silence. Meanwhile, in India more and more people believed that Bose was killed in a camp on the territory of the USSR. True, there is still one more version going around: that Bose had returned alive and unharmed to India from exile in the Soviet Union in 1948 as a wandering saint. And that he lived out his life that way.

There are plenty of conjectures on the mysterious disappearance of Bose. Some even claim that they saw the reverend "respected leader" in the 1960s in China at a military parade wearing a Chinese army officer's uniform... As proof that Bose was alive even after the announcement about his death, a report made by the British intelligence is held up in which it is asserted that at the beginning of 1946, Jawaharlal Nehru received a confidential letter form Bose. The "respected leader" informed Nehru, the then leader of independent India, that he was being held in confinement in Russia.

From the testimony of Asaf Ali, the secretary of the Committee for the Defence of the Indian National Army:

"Jawaharlal Nehru asked me to make four copies of a letter form Bose containing the following postscript: Bose arrived today, August 24, 1945, (after the official date of his death! – S.I.) at Dairen (Manchuria) at 1:30 in the afternoon. Bose, along with (Japanese) General Shidei, proceeded towards Russian territory. The jeep returned after about three hours. There was no one in the vehicle but the driver. It was as if the two generals have vanished into thin air..."

If you take the testimony of Asaf Ali to be the truth, then the final destination of Bose's last trip was the Soviet Union. Bose had tried more than once to establish contacts with representatives of the Soviet Union since the 1930s. In April 1941, after his escape from prison in India, he managed to stop over in Moscow on route to Berlin from Kabul. He had an Italian passport bearing the fictitious name **Orlando Mazzotta.** No one knows to this day whether he managed to meet with any of the top officials of the USSR. In Tokyo, in late 1944 Bose persistently sought a meeting with the then Soviet ambassador to



Subhas Chandra Bose

Adolf Hitler – an ally of Bose's in the fight for India's independence from Britain

Japan, Yakov Malik, but was turned down. Finally he sent a letter to him, but it was returned unopened...

The British version

Japan capitulated August 14, 1945. At that time Bose was in Malay which was occupied by the Japanese. The 16th of August the "respected leader" informed the Japanese government about his intentions to go to the USSR. Consent was given. After changing planes many times, Bose reached Saigon. At that time his old friend, General Shidei, who had recently been made the commander of the Kwantung Army, was there. The General had been ordered to immediately set out for Dairen to work out the terms of surrender of the Japanese Army fighting in the Soviet-Japanese theatre of operations with representatives of the Soviet Union. Since there were a limited number of seats on Shidei's airplane, Bose was only allowed to take one other person with him. That person was his assistant Habibur Rahman.

The testimony of Bose's Japanese translator:

"Before taking off, the 'respected leader' said the following to me: 'I'm ready to go to prison in Russia. The Russians are the only hope today. I'm sure they are the only ones who will resist the British. My fate is with them.'"

The 17th of August a two-engine bomber of the Japanese Air Force flew to Taipei (Taiwan) where it landed safely. When the plane was inspected in Taipei, the pilots discovered a problem with the left engine and it was repaired. But during take-off from the Taipei airport, witnesses say, the left engine failed and the plane dropped all of a sudden from a height of about 30 metres. Upon hitting the ground it broke in two and burned up.

The story of Habibur Rahman – one of the passengers on the plane remaining alive:

"After the bomber hit the ground, I was unconscious for a while. When I came to, I saw that the exit near the tail was blocked by baggage. The front part of the plane, where the other exit was, had burst into flames. The 'respected leader's' head had been hurt in the crash, however, he was able to stand and tried to get out of the burning airplane through the tail exit. But it was impossible. Then Bose made his way to the front exit. He got out through it but in doing so, his kerosene-splashed cotton army coat instantly caught on fire. Standing on the airfield, he desperately tried to unbutton the coat. I rushed to help him. Bose's face had cuts all over and had been burned by the fire. He lost consciousness and fell before my very eyes."

Together with other injured people Bose was pushed to the military hospital.

The medical report on Bose signed by the surgeon on duty, Dr. T. Yoshimi:

"There were third degree burns over Bose's whole body, however, the burns on his chest were the most serious. The surface there had became ash-coloured."

In spite of the intensive treatment given by the doctors, Bose died between 9:00 and 10:00 o'clock in the night the 18th of August, 1945. Therefore, I. Yoshimi asserted that he made out Bose's death certificate as instructed. However, it has yet to be found in the Taiwan archives...

Bose's body was cremated the 20th of August and in September the urn with his dust was taken to the Buddhist temple Renkoji in Tokyo.

In 1945 the British colonial government made three investigations of the circumstances of the plane crash and came to the conclusion that Bose had died in it. Two special commissions designated by the governments of independent India – one in 1956 and the other in 1974 – came to the same conclusion. But what is noteworthy is that both times the parliament of the republic refused to officially approve the conclusion of the commission.

Do Bose's traces end in Russia?

Meanwhile the interest in Bose has not died. This year a delegation from the Forward Bloc party met with the Prime Minister of India, Narasimha Rao, and handed him a memorandum demanding a new objective investigation into the circumstances of the disappearance of Bose in 1945 be made. Samar Guha also continues to persist in doing so. Recently he turned to the President of Russia, Boris Yeltsin with a request to inform the Indian people about what the Russians knew about the fate of "the greatest revolutionary hero in the fight for India's independence." Guha still thinks that the story about the crash is just made up. He is sure, as before, that Bose did not die in the airplane crash, but managed to get to the Soviet border through Manchuria. Therefore there must be some information in the archives of the KGB which could throw light on the further fate of Subhas Chandra Bose.

Sergei Irodov,

New Times correspondent

From the editors. All our unofficial attempts to obtain information from the "competent bodies" about Bose's stay in the former USSR were to no avail. In answer to our official request we were told to first publish this article...

"The respected leader" inspects the "Indian Legion" in Germany created with the money of the Third Reich

Bose getting off an airplane in Saigon the 17th of August, 1945. This is the last photo of the "respected leader"

"I am an unyielding person"

Marina Gura, the first director of Russia's first musical theatre

Marina Gura worked for several months in a musical theatre in the state of New York together with 15 Soviet actors invited there. Now she has created the first Russian theatre which stages musicals, she tries to render into life her overseas experience – dedication, certain professional devices and some technical means. She has been successful in many ways, but not in fostering discipline in actors. Our country is quite different from the United States, and in this aspect as well: we have a different notion of work, even if we like it and are carried away with it.

This was, however, the only oversight of hers. She managed to solve, more or less, all other problems – selection of talented young actors, securing bank credits, costumes, renting premises and a lot of other things. "I am an unyielding person," says Marina. "Having set a goal, I always do my best to reach it." These are not only words, although, probably, Providence itself lead her.

She was lucky to be born into a family where art was adored. Her mother who was keen on singing fostered love for music in Marina. She was taught music from her early childhood. At the age of five she started attending dance classes, first in a children's dancing group and, later, in a choreographic school... It was the usual path of a ballet dancer – of a gifted and industrious one at that, otherwise she would have never been admitted to the Odessa Musical Comedy Theatre which was very popular in those days. Three years later she was invited to the then popular variety group Souvenir in Moscow where she spent another ten years. The next two years she attended the School of Musical Art headed by Yuri Sherling and it turned out to be extremely important to her as an artist. Yuri Sherling's goal was to bring up actors of a synthetic type who could sing, act and dance.

There were trips abroad, performing for the most diverse audience, and, amid hard labour, flowers and applause. It seems it was while working side by side with the Americans that the idea of starting an entreprise of her own matured. By that time Marina had graduated from the State Institute of Dramatic Art ("No one would believe that I, a ballet girl, could be admitted there, especially to the economic department, the more so that at the choreographic school my mathematical education was limited to arithmetics, while at the Institute, higher mathematics was required," laughs Marina. "But I tried my best and coped with all those problems. Maybe, just to prove something to the teacher who used to ask, without displaying much tactfulness, 'What do you, a dancer, need this for?'")

In 1990 the studies were completed and Marina got down to her own business. A small ballet group was her first attempt. "All are crazy now about creating a group like that and sending it somewhere," says Marina. "I did the same. I set up a company of actors who went on tour last August, and stayed myself at home only to feel emptiness. It was Yuri Sherling who gave me recommendations to the Vavilon (Babylon) studio which is now our theatre's general sponsor."

In general Vavilon was engaged in the cinema business, but Marina managed to captivate the "Vavilonians" with her enthusiasm. Once she came accross a tape with the music by Alexander Klevitsky, joyous and full of life. The text, written after the *Gelsamino in the Country of Liars* by Gianni Rodari, was amusing too. Thus the idea of staging a musical called *Gelsamino* was born and supported by Vavilon. A bank credited this and the next production. Marina started to recruit a company ("Only very gifted and young ones, not burdened with petrified concepts.") A few months later, by last May, the play was released ("With a delay and immense hardships, but what can be done in time in our country?")

Marina is the official director of the Moscow Musical Theatre. But may there be a director who has neither a deputy nor an assistant of any other kind? She had not only to look for actors and musicians, but to do a lot of other things herself. For instance, a hundered and a half picturesque costumes of all kinds were required. Experts say *Gelsamino* is the costliest performance nearly in our entire theatrical history.

Before the last energy price rise one performance cost 200 to 250 thousand rubles; the rent of the Rossiya concert hall alone needed 50,000 rubles a day. The actors of the Moscow Musical Theatre are paid 1,500-2,000 rubles a month ("I am ashamed of even pronouncing such a sum aloud," says Marina sadly. "But we are going to raise salaries in the nearest future.") In short, the 5 million rubles which have been spent on the release of the play are as good as lost to the theatre as they can't be repaid at home. It becomes necessary to go on tours abroad. What is 5 millions rubles? 50 thousand dollars. In the United States meanwhile a musical may cost from 2 to 7 million dollars, with the corresponding price for a ticket, of course.

"Three months of tours in Western countries would allow us to raise enough money to pay off our debt to Vavilon," reflects the director. There is a hope. The Spanish firm International Art Bridges has offered a contract for a six-month tour of Latin America. True, it will require releasing of one more production in a very short period of time – during a few months. However, one should remember Marina's words: "I am an unyielding person."

Vladimir Zhitomirsky

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